



# HOUSE BILL No. 1001

## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 4-24-7-4; IC 6-1.1; IC 6-3.5; IC 6-5.5-8-2; IC 6-6-5-10; IC 8-22-3.5; IC 12-7-2; IC 12-13; IC 12-17; IC 12-19; IC 16-33-4-17.5; IC 16-35; IC 20-26-11; IC 20-33-2-29; IC 31-32-16-9; IC 31-33; IC 31-34-24; IC 31-37-24; IC 31-40; IC 33-38-9-8; IC 36-3-7-5; IC 36-7.

**Synopsis:** Elimination of child welfare levies. Establishes a state funded child welfare relief credit against child welfare levies imposed in a county before 2010 for a: (1) county medical assistance to wards fund; (2) family and children's fund; (3) children's psychiatric residential treatment services fund; or (4) children with special health care needs county fund. Permits an additional credit in a tax incentive financing (TIF) area equal to the child welfare relief credit. Beginning in 2010: (1) eliminates authority for a county to impose child welfare levies; (2) specifies that the state will fund the functions that were funded by child welfare levies before 2010; (3) adjusts distributions of financial institution tax, motor vehicle excise tax, and local income tax distributions affected by the elimination of child welfare levies; and (4) establishes procedures to eliminate shortfalls of revenue in TIF areas resulting from the elimination of child welfare levies. Corrects internal references in the property tax replacement fund law. Corrects obsolete references to the division of family resources. Eliminates obsolete provisions concerning credits granted in TIF areas in Marion County for taxes due before 1992. Makes related changes. Makes an appropriation.

**Effective:** Upon passage; January 1, 2006 (retroactive); July 1, 2006.

**Espich**

November 22, 2005, read first time and referred to Committee on Ways and Means.

C  
o  
p  
y



Introduced

Second Regular Session 114th General Assembly (2006)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2005 Regular Session of the General Assembly.

## HOUSE BILL No. 1001

---

A BILL FOR AN ACT to amend the Indiana Code concerning taxation and to make an appropriation.

*Be it enacted by the General Assembly of the State of Indiana:*

1       SECTION 1. IC 4-24-7-4, AS AMENDED BY P.L.246-2005,  
2       SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3       UPON PASSAGE]: Sec. 4. (a) Accounts of state institutions described  
4       in sections 1 and 3 of this chapter shall be paid as follows:

5               (1) All such accounts shall be signed by the superintendent of  
6               such institution, attested to by the seal of the institution, and  
7               forwarded to the auditor of the county for payment from which  
8               county the inmate or patient was admitted.

9               (2) All accounts accruing between January 1 and June 30 of each  
10              year shall be forwarded to the county auditor on or before October  
11              1 of such year.

12             (3) All accounts accruing between July 1 and December 31 of  
13             each year shall be forwarded to the county auditor on or before  
14             April 1 of the following year.

15             (4) Upon receipt of any such account, the county auditor shall  
16             draw a warrant on the treasurer of the county for the payment of  
17             the account, and the same shall be paid out of the funds of the



C  
o  
p  
y

county appropriated therefor.

(5) The county council of each county of the state shall annually appropriate sufficient funds to pay such accounts.

(b) All accounts of state institutions described in section 2 of this chapter shall be paid as follows:

(1) All such accounts shall be signed by the superintendent of the institution, attested to by the seal of the institution, and forwarded to the auditor of the county for payment from the county from which the inmate was admitted.

(2) All accounts accruing after December 31 and before April 1 of each year shall be forwarded to the county auditor on or before May 15 of that year.

(3) All accounts accruing after March 31 and before July 1 of each year shall be forwarded to the county auditor on or before August 15 of that year.

(4) All accounts accruing after June 30 and before October 1 of each year shall be forwarded to the county auditor on or before November 15 of that year.

(5) All accounts accruing after September 30 and before January 1 of each year, and any reconciliations for previous periods, shall be forwarded to the county auditor on or before March 15 of the following year.

(6) Upon receipt of an account, the county auditor shall draw a warrant on the treasurer of the county for the payment of the account, which shall be paid from the funds of the county that were appropriated for the payment.

(7) The county council of each county shall annually appropriate sufficient funds to pay these accounts.

If a county has not paid an account within six (6) months after the account is forwarded under this subsection, the auditor of state shall, notwithstanding anything to the contrary in IC 6-1.1-21, reduce the next distribution of property tax replacement credits under ~~IC 6-1.1-21~~ **IC 6-1.1-21-5 and child welfare relief credits under IC 6-1.1-21-5.2** to the county and withhold the amount owed on the account. The auditor of state shall credit the withheld amount to the state general fund for the purpose of curing the default. The account is then considered paid. A county that has the county's distribution reduced under this subsection shall apply the withheld amount only to the county unit's share of the distribution and may not reduce a distribution to any other civil taxing unit or school corporation within the county.

SECTION 2. IC 6-1.1-17-3, AS AMENDED BY P.L.234-2005, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

C  
o  
p  
y



JULY 1, 2006]: Sec. 3. (a) The proper officers of a political subdivision shall formulate its estimated budget and its proposed tax rate and tax levy on the form prescribed by the department of local government finance and approved by the state board of accounts. The political subdivision shall give notice by publication to taxpayers of:

- (1) the estimated budget;
- (2) the estimated maximum permissible levy;
- (3) the current and proposed tax levies of each fund; and
- (4) the amounts of excessive levy appeals to be requested.

In the notice, the political subdivision shall also state the time and place at which a public hearing will be held on these items. The notice shall be published twice in accordance with IC 5-3-1 with the first publication at least ten (10) days before the date fixed for the public hearing.

(b) The board of directors of a solid waste management district established under IC 13-21 or IC 13-9.5-2 (before its repeal) may conduct the public hearing required under subsection (a):

- (1) in any county of the solid waste management district; and
- (2) in accordance with the annual notice of meetings published under IC 13-21-5-2.

(c) The trustee of each township in the county shall estimate the amount necessary to meet the cost of township assistance in the township for the ensuing calendar year. The township board shall adopt with the township budget a tax rate sufficient to meet the estimated cost of township assistance. The taxes collected as a result of the tax rate adopted under this subsection are credited to the township assistance fund.

(d) **For years beginning before January 1, 2010**, a county shall adopt with the county budget and the department of local government finance shall certify under section 16 of this chapter a tax rate sufficient to raise the levy necessary to pay the following:

- (1) The cost of child services (as defined in ~~IC 12-19-7-1~~ **IC 12-7-2-31.7**) of the county payable from the family and children's fund.
- (2) The cost of children's psychiatric residential treatment services (as defined in ~~IC 12-19-7.5-1~~ **IC 12-7-2-32.5**) of the county payable from the children's psychiatric residential treatment services fund.

A budget, tax rate, or tax levy adopted by a county fiscal body or approved or modified by a county board of tax adjustment that is less than the levy necessary to pay the costs described in subdivision (1) or (2) shall not be treated as a final budget, tax rate, or tax levy under

C  
o  
p  
y



1 section 11 of this chapter.

2 SECTION 3. IC 6-1.1-17-14, AS AMENDED BY P.L.234-2005,  
3 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
4 JULY 1, 2006]: Sec. 14. The county auditor shall initiate an appeal to  
5 the department of local government finance if the county fiscal body or  
6 the county board of tax adjustment reduces:

7 (1) a township assistance tax rate below the rate necessary to meet  
8 the estimated cost of township assistance;

9 (2) **for years beginning before January 1, 2010**, a family and  
10 children's fund tax rate below the rate necessary to collect the levy  
11 recommended by the department of child services; or

12 (3) **for years beginning before January 1, 2010**, a children's  
13 psychiatric residential treatment services fund tax rate below the  
14 rate necessary to collect the levy recommended by the department  
15 of child services.

16 SECTION 4. IC 6-1.1-18-3 IS AMENDED TO READ AS  
17 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 3. (a) Except as  
18 provided in subsection (b), the sum of all tax rates for all political  
19 subdivisions imposed on tangible property within a political  
20 subdivision may not exceed:

21 (1) forty-one and sixty-seven hundredths cents (\$0.4167) on each  
22 one hundred dollars (\$100) of assessed valuation in territory  
23 outside the corporate limits of a city or town; or

24 (2) sixty-six and sixty-seven hundredths cents (\$0.6667) on each  
25 one hundred dollars (\$100) of assessed valuation in territory  
26 inside the corporate limits of a city or town.

27 (b) The proper officers of a political subdivision shall fix tax rates  
28 which are sufficient to provide funds for the purposes itemized in this  
29 subsection. The portion of a tax rate fixed by a political subdivision  
30 shall not be considered in computing the tax rate limits prescribed in  
31 subsection (a) if that portion is to be used for one (1) of the following  
32 purposes:

33 (1) To pay the principal or interest on a funding, refunding, or  
34 judgment funding obligation of the political subdivision.

35 (2) To pay the principal or interest on an outstanding obligation  
36 issued by the political subdivision if notice of the sale of the  
37 obligation was published before March 9, 1937.

38 (3) To pay the principal or interest upon:

39 (A) an obligation issued by the political subdivision to meet an  
40 emergency which results from a flood, fire, pestilence, war, or  
41 any other major disaster; or

42 (B) a note issued under IC 36-2-6-18, IC 36-3-4-22,

C  
o  
p  
y



IC 36-4-6-20, or IC 36-5-2-11 to enable a city, town, or county to acquire necessary equipment or facilities for municipal or county government.

(4) To pay the principal or interest upon an obligation issued in the manner provided in IC 6-1.1-20-3 (before its repeal) or IC 6-1.1-20-3.1 through IC 6-1.1-20-3.2.

(5) To pay a judgment rendered against the political subdivision.

(6) **For years beginning before January 1, 2010**, to meet the requirements of the family and children's fund for child services (as defined in ~~IC 12-19-7-1~~; **IC 12-7-2-31.7**).

(7) To meet the requirements of the county hospital care for the indigent fund.

(8) **For years beginning before January 1, 2010**, to meet the requirements of the children's psychiatric residential treatment services fund for children's psychiatric residential treatment services (as defined in ~~IC 12-19-7.5-1~~; **IC 12-7-2-32.5**).

(c) Except as otherwise provided in IC 6-1.1-19 or IC 6-1.1-18.5, a county board of tax adjustment, a county auditor, or the department of local government finance may review the portion of a tax rate described in subsection (b) only to determine if it exceeds the portion actually needed to provide for one (1) of the purposes itemized in that subsection.

SECTION 5. IC 6-1.1-18.5-9.7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 9.7. (a) The ad valorem property tax levy limits imposed by section 3 of this chapter do not apply to ad valorem property taxes imposed under any of the following:

- (1) IC 12-16, except IC 12-16-1.
- (2) IC 12-19-5, **before January 1, 2010**.
- (3) IC 12-19-7, **before January 1, 2010**.
- (4) IC 12-19-7.5, **before January 1, 2010**.
- (5) IC 12-20-24.

(b) For purposes of computing the ad valorem property tax levy limits imposed under section 3 of this chapter, a county's or township's ad valorem property tax levy for a particular calendar year does not include that part of the levy imposed under the citations listed in subsection (a).

(c) Section 8(b) of this chapter does not apply to bonded indebtedness that will be repaid through property taxes imposed under IC 12-19.

SECTION 6. IC 6-1.1-20.4-4, AS ADDED BY P.L.246-2005, SECTION 61, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 4. (a) A political

C  
o  
p  
y



subdivision may adopt an ordinance or resolution each year to provide for the use of revenue for the purpose of providing a homestead credit the following year to homesteads. An ordinance must be adopted under this section before December 31 for credits to be provided in the following year. The ordinance applies only to the immediately following year.

(b) A homestead credit under this chapter is to be applied to the net property tax liability due on the homestead.

(c) A homestead credit under this chapter does not reduce the basis for determining the state property tax replacement credit under ~~IC 6-1.1-21~~ **IC 6-1.1-21-5**, a **child welfare relief credit under IC 6-1.1-21-5.2**, or the state homestead credit under IC 6-1.1-20.9.

SECTION 7. IC 6-1.1-20.9-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]:  
Sec. 1. ~~As used in~~ **(a) The definitions in this section apply throughout** this chapter.

~~(1)~~ **(b)** "Dwelling" means any of the following:

~~(A)~~ **(1)** Residential real property improvements which an individual uses as his residence, including a house or garage.

~~(B)~~ **(2)** A mobile home that is not assessed as real property that an individual uses as the individual's residence.

~~(C)~~ **(3)** A manufactured home that is not assessed as real property that an individual uses as the individual's residence.

~~(2)~~ **(c)** "Homestead" means an individual's principal place of residence which:

(A) is located in Indiana;

(B) the individual either owns or is buying under a contract, recorded in the county recorder's office, that provides that he is to pay the property taxes on the residence; and

(C) consists of a dwelling and the real estate, not exceeding one (1) acre, that immediately surrounds that dwelling.

**(d) "Tax liability" means tax liability as computed under IC 6-1.1-21-5 for purposes of computing a taxpayer's property tax replacement credit for a particular year.**

**(e) "Total child welfare levy" has the meaning set forth in IC 6-1.1-21-2.2.**

SECTION 8. IC 6-1.1-20.9-2, AS AMENDED BY P.L.246-2005, SECTION 63, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 2. (a) Except as otherwise provided in section 5 of this chapter, an individual who on March 1 of a particular year either owns or is buying a homestead under a contract that provides the individual is to pay the property taxes

C  
o  
p  
y



on the homestead is entitled each calendar year to a credit against the property taxes which the individual pays on the individual's homestead. However, only one (1) individual may receive a credit under this chapter for a particular homestead in a particular year.

(b) The amount of the credit to which the individual is entitled equals the product of:

- (1) the percentage prescribed in subsection (d); multiplied by
- (2) the **result determined under STEP FIVE of the following formula:**

**STEP ONE: Determine the** amount of the individual's property tax liability ~~(as that term is defined in IC 6-1.1-21-5)~~ ~~which that is~~

~~(A) attributable to the homestead during the particular calendar year. and Determined after the application of~~

**(B) STEP TWO: Determine the part of the individual's property tax liability for the homestead that is attributable to the total child welfare levy in the county where the homestead is located.**

**STEP THREE: Subtract the STEP TWO amount from the STEP ONE amount.**

**STEP FOUR: Determine the part of the taxpayer's property tax replacement credit under ~~IC 6-1.1-21~~ IC 6-1.1-21-5 that is applied against the STEP THREE amount.**

**STEP FIVE: Subtract the STEP FOUR amount from the STEP THREE amount.**

(c) For purposes of determining that part of an individual's property tax liability that is attributable to the individual's homestead, all deductions from assessed valuation which the individual claims under IC 6-1.1-12 or IC 6-1.1-12.1 for property on which the individual's homestead is located must be applied first against the assessed value of the individual's homestead before those deductions are applied against any other property.

(d) The percentage of the credit referred to in subsection (b)(1) is as follows:

YEAR	PERCENTAGE OF THE CREDIT
1996	8%
1997	6%
1998 through 2002	10%
2003 and thereafter	20%

However, the property tax replacement fund board established under IC 6-1.1-21-10 shall increase the percentage of the credit provided in

C  
o  
p  
y





the schedule for any year if the budget agency determines that an increase is necessary to provide the minimum tax relief authorized under IC 6-1.1-21-2.5. If the board increases the percentage of the credit provided in the schedule for any year, the percentage of the credit for the immediately following year is the percentage provided in the schedule for that particular year, unless as provided in this subsection the board must increase the percentage of the credit provided in the schedule for that particular year. However, the percentage credit allowed in a particular county for a particular year shall be increased if on January 1 of a year an ordinance adopted by a county income tax council was in effect in the county which increased the homestead credit. The amount of the increase equals the amount designated in the ordinance.

(e) Before October 1 of each year, the assessor shall furnish to the county auditor the amount of the assessed valuation of each homestead for which a homestead credit has been properly filed under this chapter.

(f) The county auditor shall apply the credit equally to each installment of taxes that the individual pays for the property.

(g) Notwithstanding the provisions of this chapter, a taxpayer other than an individual is entitled to the credit provided by this chapter if:

- (1) an individual uses the residence as the individual's principal place of residence;
- (2) the residence is located in Indiana;
- (3) the individual has a beneficial interest in the taxpayer;
- (4) the taxpayer either owns the residence or is buying it under a contract, recorded in the county recorder's office, that provides that the individual is to pay the property taxes on the residence; and
- (5) the residence consists of a single-family dwelling and the real estate, not exceeding one (1) acre, that immediately surrounds that dwelling.

SECTION 9. IC 6-1.1-21-2, AS AMENDED BY P.L.1-2005, SECTION 92, AND AS AMENDED BY P.L.246-2005, SECTION 64, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 2. As used in this chapter:

(a) "Taxpayer" means a person who is liable for taxes on property assessed under this article.

(b) "Taxes" means property taxes payable in respect to property assessed under this article. The term does not include special assessments, penalties, or interest, but does include any special charges which a county treasurer combines with all other taxes in the

**C  
O  
P  
Y**



preparation and delivery of the tax statements required under IC 6-1.1-22-8(a).

(c) "Department" means the department of state revenue.

(d) "Auditor's abstract" means the annual report prepared by each county auditor which under IC 6-1.1-22-5 is to be filed on or before March 1 of each year with the auditor of state.

(e) "Mobile home assessments" means the assessments of mobile homes made under IC 6-1.1-7.

(f) "Postabstract adjustments" means adjustments in taxes made subsequent to the filing of an auditor's abstract which change assessments therein or add assessments of omitted property affecting taxes for such assessment year.

(g) "Total county tax levy" means the sum of:

(1) the remainder of:

(A) the aggregate levy of all taxes for all taxing units in a county which are to be paid in the county for a stated assessment year as reflected by the auditor's abstract for the assessment year, adjusted, however, for any postabstract adjustments which change the amount of the aggregate levy; minus

(B) the sum of any increases in property tax levies of taxing units of the county that result from appeals described in:

(i) IC 6-1.1-18.5-13(4) and IC 6-1.1-18.5-13(5) filed after December 31, 1982; plus

(ii) the sum of any increases in property tax levies of taxing units of the county that result from any other appeals described in IC 6-1.1-18.5-13 filed after December 31, 1983; plus

(iii) **for taxes first due and payable before January 1, 2010**, IC 6-1.1-18.6-3 (children in need of services and delinquent children who are wards of the county) **(before its repeal)**; minus

(C) the total amount of property taxes imposed for the stated assessment year by the taxing units of the county under the authority of:

(i) **for taxes first due and payable before January 1, 2010**, IC 12-1-11.5 (repealed), IC 12-2-4.5 (repealed), IC 12-19-5; or

(ii) IC 12-20-24; minus

(D) the total amount of property taxes to be paid during the stated assessment year that will be used to pay for interest or principal due on debt that:

C  
o  
p  
y



(i) is entered into after December 31, 1983;  
 (ii) is not debt that is issued under IC 5-1-5 to refund debt incurred before January 1, 1984; and  
 (iii) does not constitute debt entered into for the purpose of building, repairing, or altering school buildings for which the requirements of IC 20-5-52 (*repealed*) were satisfied prior to January 1, 1984; minus

(E) the amount of property taxes imposed in the county for the stated assessment year under the authority of IC 21-2-6 (*repealed*) or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus

(F) the remainder of:

(i) the total property taxes imposed in the county for the stated assessment year under authority of IC 21-2-6 (*repealed*) or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was not initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus

(ii) the total property taxes imposed in the county for the 1984 stated assessment year under the authority of IC 21-2-6 (*repealed*) or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was not initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus

(G) the amount of property taxes imposed in the county for the stated assessment year under:

(i) IC 21-2-15 for a capital projects fund; plus

(ii) IC 6-1.1-19-10 for a racial balance fund; plus

(iii) ~~IC 20-14-13~~ IC 36-12-12 for a library capital projects fund; plus

(iv) ~~IC 20-5-17.5-3~~ IC 36-10-13-7 for an art association fund; plus

(v) IC 21-2-17 for a special education preschool fund; plus

(vi) IC 21-2-11.6 for a referendum tax levy fund; plus

(vii) an appeal filed under IC 6-1.1-19-5.1 for an increase in a school corporation's maximum permissible general fund levy for certain transfer tuition costs; plus

(viii) an appeal filed under IC 6-1.1-19-5.4 for an increase in a school corporation's maximum permissible ~~general~~ **transportation** fund levy for transportation operating costs;

C  
o  
p  
y



- 1 minus
- 2 (H) the amount of property taxes imposed by a school
- 3 corporation that is attributable to the passage, after 1983, of a
- 4 referendum for an excessive tax levy under IC 6-1.1-19,
- 5 including any increases in these property taxes that are
- 6 attributable to the adjustment set forth in IC 6-1.1-19-1.5 or
- 7 any other law; minus
- 8 (I) for each township in the county, the lesser of:
- 9 (i) the sum of the amount determined in IC 6-1.1-18.5-19(a)
- 10 STEP THREE **(as effective January 1, 1990)** or
- 11 IC 6-1.1-18.5-19(b) STEP THREE **(as effective January 1,**
- 12 **1990)**, whichever is applicable, plus the part, if any, of the
- 13 township's ad valorem property tax levy for calendar year
- 14 1989 that represents increases in that levy that resulted from
- 15 an appeal described in IC 6-1.1-18.5-13(4) **(as effective**
- 16 **before January 1, 1989)**, filed after December 31, 1982; or
- 17 (ii) the amount of property taxes imposed in the township for
- 18 the stated assessment year under the authority of
- 19 IC 36-8-13-4; minus
- 20 (J) for each participating unit in a fire protection territory
- 21 established under IC 36-8-19-1, the amount of property taxes
- 22 levied by each participating unit under IC 36-8-19-8 and
- 23 IC 36-8-19-8.5 less the maximum levy limit for each of the
- 24 participating units that would have otherwise been available
- 25 for fire protection services under IC 6-1.1-18.5-3 and
- 26 IC 6-1.1-18.5-19 for that same year; minus
- 27 (K) for each county, **for taxes first due and payable before**
- 28 **January 1, 2010**, the sum of:
- 29 (i) the amount of property taxes imposed in the county for
- 30 the repayment of loans under IC 12-19-5-6 (repealed) that is
- 31 included in the amount determined under IC 12-19-7-4(a)
- 32 STEP SEVEN **(as effective January 1, 1995)** for property
- 33 taxes payable in 1995, or for property taxes payable in each
- 34 year after 1995, the amount determined under
- 35 IC 12-19-7-4(b) **(as effective before March 16, 2004) and**
- 36 **IC 12-19-7-4 (as effective after March 15, 2004);** and
- 37 (ii) the amount of property taxes imposed in the county
- 38 attributable to appeals granted under IC 6-1.1-18.6-3
- 39 **(before its repeal)** that is included in the amount
- 40 determined under IC 12-19-7-4(a) STEP SEVEN **(as**
- 41 **effective January 1, 1995)** for property taxes payable in
- 42 1995, or the amount determined under IC 12-19-7-4(b) **(as**

C  
o  
p  
y



1 **effective before March 16, 2004) and IC 12-19-7-4 (as**  
 2 **effective after March 15, 2004) for property taxes payable**  
 3 **in each year after 1995; plus**

4 (2) all taxes to be paid in the county in respect to mobile home  
 5 assessments currently assessed for the year in which the taxes  
 6 stated in the abstract are to be paid; plus

7 (3) the amounts, if any, of county adjusted gross income taxes that  
 8 were applied by the taxing units in the county as property tax  
 9 replacement credits to reduce the individual levies of the taxing  
 10 units for the assessment year, as provided in IC 6-3.5-1.1; plus

11 (4) the amounts, if any, by which the maximum permissible ad  
 12 valorem property tax levies of the taxing units of the county were  
 13 reduced under IC 6-1.1-18.5-3(b) STEP EIGHT for the stated  
 14 assessment year; plus

15 (5) the difference between:

16 (A) the amount determined in IC 6-1.1-18.5-3(e) STEP FOUR;  
 17 minus

18 (B) the amount the civil taxing units' levies were increased  
 19 because of the reduction in the civil taxing units' base year  
 20 certified shares under IC 6-1.1-18.5-3(e).

21 (h) "December settlement sheet" means the certificate of settlement  
 22 filed by the county auditor with the auditor of state, as required under  
 23 IC 6-1.1-27-3.

24 (i) "Tax duplicate" means the roll of property taxes which each  
 25 county auditor is required to prepare on or before March 1 of each year  
 26 under IC 6-1.1-22-3.

27 (j) "Eligible property tax replacement amount" is, *except as*  
 28 *otherwise provided by law*, equal to the sum of the following:

29 (1) Sixty percent (60%) of the total county tax levy imposed by  
 30 each school corporation in a county for its general fund for a  
 31 stated assessment year.

32 (2) Twenty percent (20%) of the total county tax levy (less sixty  
 33 percent (60%) of the levy for the general fund of a school  
 34 corporation that is part of the total county tax levy) imposed in a  
 35 county on real property for a stated assessment year.

36 (3) Twenty percent (20%) of the total county tax levy (less sixty  
 37 percent (60%) of the levy for the general fund of a school  
 38 corporation that is part of the total county tax levy) imposed in a  
 39 county on tangible personal property, excluding business personal  
 40 property, for an assessment year.

41 (k) "Business personal property" means tangible personal property  
 42 (other than real property) that is being:

C  
o  
p  
y



(1) held for sale in the ordinary course of a trade or business; or  
 (2) held, used, or consumed in connection with the production of  
 income.

(l) "Taxpayer's property tax replacement credit amount" means,  
*except as otherwise provided by law*, the sum of the following:

(1) Sixty percent (60%) of a taxpayer's tax liability in a calendar  
 year for taxes imposed by a school corporation for its general fund  
 for a stated assessment year.

(2) Twenty percent (20%) of a taxpayer's tax liability for a stated  
 assessment year for a total county tax levy (less sixty percent  
 (60%) of the levy for the general fund of a school corporation that  
 is part of the total county tax levy) on real property.

(3) Twenty percent (20%) of a taxpayer's tax liability for a stated  
 assessment year for a total county tax levy (less sixty percent  
 (60%) of the levy for the general fund of a school corporation that  
 is part of the total county tax levy) on tangible personal property  
 other than business personal property.

(m) "Tax liability" means tax liability as described in section 5 of  
 this chapter.

(n) "General school operating levy" means the ad valorem property  
 tax levy of a school corporation in a county for the school corporation's  
 general fund.

(o) "*Board*" refers to the property tax replacement fund board  
 established under section 10 of this chapter.

**(p) "Homestead" refers to tangible property that is eligible for  
 a homestead credit under IC 6-1.1-20.9.**

**(q) "Residential property" refers to real property, mobile  
 homes, and industrialized housing classified under the standards  
 specified by the department of local government finance as used  
 for a residential purpose, including tangible property that would  
 qualify as a homestead if the taxpayer had filed for a homestead  
 credit under IC 6-1.1-20.9 and rental residential property.**

SECTION 10. IC 6-1.1-21-2.2 IS ADDED TO THE INDIANA  
 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: **Sec. 2.2. (a)  
 The definitions in this section apply throughout this chapter.**

**(b) "Child welfare funds" refers to the following:**

**(1) The county medical assistance to wards fund  
 (IC 12-13-8-2).**

**(2) The family and children's fund (IC 12-19-7-3).**

**(3) The children's psychiatric residential treatment services  
 fund (IC 12-19-7.5-5).**

C  
o  
p  
y



(4) The children with special health care needs county fund (IC 16-35-3-1).

(c) "Child welfare relief credit" refers to a credit against a taxpayer's net child welfare levy granted under section 5.2 of this chapter.

(d) "Child welfare relief replacement amount" means the following percentage of a county's total net child welfare levy:

(1) In 2006, one hundred percent (100%) of the county's total net child welfare levy imposed on tangible property classified as a homestead or other residential property (including farm homesteads).

(2) In 2007, one hundred percent (100%) of the county's total net child welfare levy imposed on tangible property classified as a homestead or other residential property (including farm homesteads).

(3) In 2008, one hundred percent (100%) of the county's total net child welfare levy imposed on:

(A) tangible property classified as a homestead or other residential property (including farm homesteads); and

(B) tangible property classified as agricultural property.

(4) In 2009:

(A) one hundred percent (100%) of the county's total net child welfare levy imposed on tangible property classified as a homestead or other residential property (including farm homesteads);

(B) one hundred percent (100%) of the county's total net child welfare levy imposed on tangible property classified as agricultural property; and

(C) fifty percent (50%) of the county's total net child welfare levy imposed on tangible property not described in clause (A) or (B).

(e) "Taxpayer's net child welfare levy liability" means the amount of taxes first due and payable from the taxpayer in a particular year that is attributable to a county's total net child welfare levy.

(f) "Taxpayer's child welfare relief credit amount" means the following percentage of a taxpayer's net child welfare levy liability for a stated assessment year:

(1) In 2006, one hundred percent (100%) of the taxpayer's net child welfare levy liability imposed on tangible property classified as a homestead or residential property (including farm homesteads).

C  
o  
p  
y



(2) In 2007, one hundred percent (100%) of the taxpayer's net child welfare levy liability imposed on tangible property classified as a homestead or residential property (including farm homesteads).

(3) In 2008, one hundred percent (100%) of the taxpayer's net child welfare levy liability imposed on:

(A) tangible property classified as a homestead or residential property (including farm homesteads); and

(B) tangible property classified as agricultural property.

(4) In 2009:

(A) one hundred percent (100%) of the taxpayer's net child welfare levy liability imposed on tangible property classified as a homestead or residential property (including farm homesteads);

(B) one hundred percent (100%) of the taxpayer's net child welfare levy liability imposed on tangible property classified as agricultural property; and

(C) fifty percent (50%) of the taxpayer's net child welfare levy liability imposed on tangible property not described in clause (A) or (B).

(g) "Total net child welfare levy" means the remainder of a county's total child welfare levy for a stated assessment year after subtracting the county's eligible property tax replacement amount attributable to the total child welfare levy.

(h) "Total child welfare levy" means the aggregate levy for the county's child welfare funds that are to be paid in the county:

(1) for a stated assessment year, as reflected by the auditor's abstract for the assessment year and adjusted for any postabstract adjustments that change the amount of the aggregate levy; or

(2) in respect to mobile home assessments currently assessed for the year in which taxes stated in the abstract are to be paid.

SECTION 11. IC 6-1.1-21-2.5, AS ADDED BY P.L.246-2005, SECTION 65, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 2.5. (a) Annually, before the department determines the eligible property tax replacement amount for a year under section 3 of this chapter and the department of local government finance makes its certification under section 3(b) of this chapter, the budget agency shall determine the sum of the following:

(1) The following amounts:

**C  
o  
p  
y**





1           **(A) Before 2010**, one billion one hundred twenty-one million  
 2           seven hundred thousand dollars (\$1,121,700,000).

3           **(B) After 2009, one billion eighty-seven million dollars**  
 4           **(\$1,087,000,000).**

5           (2) An amount equal to the net amount of revenue, after deducting  
 6           collection allowances and refunds, that the budget agency  
 7           estimates will be collected in a particular calendar year from the  
 8           part of the gross retail and use tax rate imposed under IC 6-2.5  
 9           equal to one percent (1%).

10          The estimate made under this subsection must be consistent with the  
 11          latest technical forecast of state revenues that is prepared for  
 12          distribution to the general assembly and the general public and  
 13          available to the budget agency at the time that the estimate is made.

14          (b) The department may not distribute eligible property tax  
 15          replacement amounts and eligible homestead credit replacement  
 16          amounts for a year under this chapter that, in the aggregate, is less than  
 17          the amount computed under subsection (a).

18          (c) Annually, before the department determines the eligible property  
 19          tax replacement amount for a year under section 3 of this chapter and  
 20          the department of local government finance makes its certification  
 21          under section 3(b) of this chapter, the budget agency shall determine  
 22          whether the total amount of property tax replacement credits granted  
 23          in Indiana under section 5 of this chapter and homestead credits  
 24          granted in Indiana under IC 6-1.1-20.9-2 for a year, determined without  
 25          applying subsection (b), will be less than the amount determined under  
 26          subsection (b). The budget agency shall give notice of its determination  
 27          to the members of the board and, in an electronic format under  
 28          IC 5-14-6, the general assembly. If the budget agency determines that  
 29          the amount determined under subsection (b) will not be exceeded in a  
 30          particular year, the board shall increase for that year the percentages  
 31          used to determine a taxpayer's property tax replacement credit amount  
 32          and the homestead credit percentage applicable under IC 6-1.1-20.9-2  
 33          so that the total amount of property tax replacement credits granted in  
 34          Indiana under section 5 of this chapter and homestead credits granted  
 35          in Indiana under IC 6-1.1-20.9-2 at least equals the amount determined  
 36          under subsection (b). In making adjustments under this subsection, the  
 37          board shall increase percentages in the following order until the total  
 38          of property tax replacement credits granted under section 5 of this  
 39          chapter and homestead credits granted under IC 6-1.1-20.9-2 for the  
 40          year at least equals the amount determined under subsection (b):

41           (1) The homestead credit percentage specified in IC 6-1.1-20.9-2  
 42           until the homestead percentage reaches the lesser of:

C  
o  
p  
y



- 1 (A) thirty percent (30%); or  
 2 (B) the percentage at which the total of property tax  
 3 replacement credits granted under section 5 of this chapter and  
 4 homestead credits granted under IC 6-1.1-20.9-2 for the year  
 5 at least equals the amount determined under subsection (b).  
 6 (2) If the amount determined under subsection (b) is not exceeded  
 7 after increasing the homestead percentage under subdivision (1),  
 8 the board shall increase the property tax replacement credit  
 9 percentage specified in section 2(j)(1) and 2(l)(1) of this chapter  
 10 until the property tax replacement percentage reaches the lesser  
 11 of:  
 12 (A) seventy percent (70%); or  
 13 (B) the percentage at which the total of property tax  
 14 replacement credits granted under section 5 of this chapter and  
 15 homestead credits granted under IC 6-1.1-20.9-2 for the year,  
 16 as adjusted under this subsection, at least equals the amount  
 17 determined under subsection (b).  
 18 (3) If the amount determined under subsection (b) is not exceeded  
 19 after making all possible increases in credit percentages under  
 20 subdivisions (1) and (2), the board shall increase the property tax  
 21 replacement credit percentages specified in section 2(j)(2),  
 22 2(j)(3), 2(l)(2), and 2(l)(3) of this chapter to the percentage at the  
 23 total of property tax replacement credits granted under section 5  
 24 of this chapter and homestead credits granted under  
 25 IC 6-1.1-20.9-2 for the year, as adjusted under this subsection, at  
 26 least equals the amount determined under subsection (b).  
 27 (d) The adjusted percentages set under subsection (c):  
 28 (1) are the percentages that apply under:  
 29 (A) section 5 of this chapter to determine a taxpayer's property  
 30 tax replacement credit amount; and  
 31 (B) IC 6-1.1-20.9-2 to determine a taxpayer's homestead  
 32 credit; and  
 33 (2) must be used by the:  
 34 (A) department in estimating the eligible property tax  
 35 replacement amount under section 3 of this chapter; and  
 36 (B) department of local government finance in making its  
 37 certification under section 3(b) of this chapter;  
 38 and for all other purposes under this chapter and IC 6-1.1-20.9  
 39 related to distributions under this chapter;  
 40 for the particular year covered by a budget agency's determination  
 41 under subsection (c).  
 42 SECTION 12. IC 6-1.1-21-3 IS AMENDED TO READ AS

C  
o  
p  
y



FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]:  
 Sec. 3. (a) The department, with the assistance of the auditor of state and the department of local government finance, shall determine an amount equal to the eligible property tax replacement amount, which is the estimated property tax replacement.

(b) The department of local government finance shall certify to the department the amount of **the following**:

(1) **The** homestead credits provided under IC 6-1.1-20.9 ~~which~~ **that** are allowed by the county for the particular calendar year.

(2) **The total child welfare levy in each county for a particular year.**

**The department, with the assistance of the auditor of state and the department of local government finance, shall determine an amount equal to the child welfare relief replacement amount. The child welfare relief replacement amount determined under this subsection is the amount to used whenever a provision of this chapter refers to the estimated child welfare relief replacement amount.**

(c) If there are one (1) or more taxing districts in the county that contain all or part of an economic development district that meets the requirements of section 5.5 of this chapter, the department of local government finance shall estimate an additional distribution for the county in the same report required under subsection (a). This additional distribution equals the sum of the amounts determined under the following STEPS for all taxing districts in the county that contain all or part of an economic development district:

STEP ONE: Estimate that part of the sum of the amounts under section 2(g)(1)(A) and 2(g)(2) of this chapter that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of the estimated property tax replacement amount attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; times

(B) the taxes levied in the taxing district that are allocated to a special fund under IC 6-1.1-39-5.

**STEP FOUR: Estimate the total net child welfare levy that is attributable to the taxing district.**

**STEP FIVE: Divide:**

**(A) that part of the estimated child welfare relief replacement amount attributable to the taxing district; by**

C  
o  
p  
y



**(B) the STEP FOUR amount.**

**STEP SIX: Multiply:**

**(A) the STEP FIVE quotient; times**

**(B) the total net child welfare levy taxes levied in the taxing district that are allocated to a special fund under IC 6-1.1-39-5.**

**STEP SEVEN: Add the STEP THREE result and the STEP SIX result.**

(d) The sum of the amounts determined under subsections (a) through (c) is the particular county's estimated distribution for the calendar year.

SECTION 13. IC 6-1.1-21-4, AS AMENDED BY P.L.228-2005, SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 4. (a) Each year the department shall allocate from the property tax replacement fund an amount equal to the sum of **the following**:

(1) Each county's total eligible property tax replacement amount for that year. ~~plus~~

(2) The total amount of homestead tax credits that are provided under IC 6-1.1-20.9 and allowed by each county for that year. ~~plus~~

**(3) Each county's child welfare relief replacement amount for the year.**

~~(3)~~ **(4)** An amount for each county that has one (1) or more taxing districts that contain all or part of an economic development district that meets the requirements of section 5.5 of this chapter. This amount is the sum of the amounts determined under the following STEPS for all taxing districts in the county that contain all or part of an economic development district:

STEP ONE: Determine that part of the sum of the amounts under section 2(g)(1)(A) and 2(g)(2) of this chapter that is attributable to the taxing district.

STEP TWO: Divide:

~~(A)~~ **(i)** that part of the subdivision (1) amount that is attributable to the taxing district; by

~~(B)~~ **(ii)** the STEP ONE sum.

STEP THREE: Multiply:

~~(A)~~ **(i)** the STEP TWO quotient; times

~~(B)~~ **(ii)** the taxes levied in the taxing district that are allocated to a special fund under IC 6-1.1-39-5.

**STEP FOUR: Determine the total net child welfare levy that is attributable to the taxing district.**

**STEP FIVE: Divide:**

**C  
o  
p  
y**



(i) that part of the estimated child welfare relief replacement amount attributable to the taxing district; by

(ii) the STEP FOUR amount.

**STEP SIX: Multiply:**

(i) the STEP FIVE quotient; times

(ii) the total net child welfare levy taxes levied in the taxing district that are allocated to a special fund under IC 6-1.1-39-5.

**STEP SEVEN: Add the STEP THREE result and the STEP SIX result.**

(b) Except as provided in subsection (e), between March 1 and August 31 of each year, the department shall distribute to each county treasurer from the property tax replacement fund one-half (1/2) of the estimated distribution for that year for the county. Between September 1 and December 15 of that year, the department shall distribute to each county treasurer from the property tax replacement fund the remaining one-half (1/2) of each estimated distribution for that year. The amount of the distribution for each of these periods shall be according to a schedule determined by the property tax replacement fund board under section 10 of this chapter. The estimated distribution for each county may be adjusted from time to time by the department to reflect any changes in the total county tax levy **and the total net child welfare levy** upon which the estimated distribution is based.

(c) On or before December 31 of each year or as soon thereafter as possible, the department shall make a final determination of the amount which should be distributed from the property tax replacement fund to each county for that calendar year. This determination shall be known as the final determination of distribution. The department shall distribute to the county treasurer or receive back from the county treasurer any deficit or excess, as the case may be, between the sum of the distributions made for that calendar year based on the estimated distribution and the final determination of distribution. The final determination of distribution shall be based on the auditor's abstract filed with the auditor of state, adjusted for postabstract adjustments included in the December settlement sheet for the year, and such additional information as the department may require.

(d) All distributions provided for in this section shall be made on warrants issued by the auditor of state drawn on the treasurer of state. If the amounts allocated by the department from the property tax replacement fund exceed in the aggregate the balance of money in the fund, then the amount of the deficiency shall be transferred from the

**C  
o  
p  
y**



1 state general fund to the property tax replacement fund, and the auditor  
 2 of state shall issue a warrant to the treasurer of state ordering the  
 3 payment of that amount. However, any amount transferred under this  
 4 section from the general fund to the property tax replacement fund  
 5 shall, as soon as funds are available in the property tax replacement  
 6 fund, be retransferred from the property tax replacement fund to the  
 7 state general fund, and the auditor of state shall issue a warrant to the  
 8 treasurer of state ordering the replacement of that amount.

9 (e) Except as provided in subsection (g) and subject to subsection  
 10 (h), the department shall not distribute under subsection (b) and section  
 11 10 of this chapter a percentage, determined by the department, of the  
 12 money that would otherwise be distributed to the county under  
 13 subsection (b) and section 10 of this chapter if:

14 (1) by the date the distribution is scheduled to be made, the  
 15 county auditor has not sent a certified statement required to be  
 16 sent by that date under IC 6-1.1-17-1 to the department of local  
 17 government finance;

18 (2) by the deadline under IC 36-2-9-20, the county auditor has not  
 19 transmitted data as required under that section;

20 (3) the county assessor has not forwarded to the department of  
 21 local government finance the duplicate copies of all approved  
 22 exemption applications required to be forwarded by that date  
 23 under IC 6-1.1-11-8(a);

24 (4) the county assessor has not forwarded to the department of  
 25 local government finance in a timely manner sales disclosure  
 26 forms under IC 6-1.1-5.5-3(b);

27 (5) local assessing officials have not provided information to the  
 28 department of local government finance in a timely manner under  
 29 IC 4-10-13-5(b);

30 (6) the county auditor has not paid a bill for services under  
 31 IC 6-1.1-4-31.5 to the department of local government finance in  
 32 a timely manner;

33 (7) the elected township assessors in the county, the elected  
 34 township assessors and the county assessor, or the county assessor  
 35 has not transmitted to the department of local government finance  
 36 by October 1 of the year in which the distribution is scheduled to  
 37 be made the data for all townships in the county required to be  
 38 transmitted under IC 6-1.1-4-25(b);

39 (8) the county has not established a parcel index numbering  
 40 system under 50 IAC 12-15-1 in a timely manner; or

41 (9) a township or county official has not provided other  
 42 information to the department of local government finance in a

C  
o  
p  
y



timely manner as required by the department.

(f) Except as provided in subsection (i), money not distributed for the reasons stated in subsection (e) shall be distributed to the county when the department of local government finance determines that the failure to:

(1) provide information; or

(2) pay a bill for services;

has been corrected.

(g) The restrictions on distributions under subsection (e) do not apply if the department of local government finance determines that the failure to:

(1) provide information; or

(2) pay a bill for services;

in a timely manner is justified by unusual circumstances.

(h) The department shall give the county auditor at least thirty (30) days notice in writing before withholding a distribution under subsection (e).

(i) Money not distributed for the reason stated in subsection (e)(6) may be deposited in the fund established by IC 6-1.1-5.5-4.7(a). Money deposited under this subsection is not subject to distribution under subsection (f).

SECTION 14. IC 6-1.1-21-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]:  
Sec. 5. (a) Each year the taxpayers of each county shall receive a credit for property tax replacement in the amount of each taxpayer's property tax replacement credit amount for taxes which:

(1) under IC 6-1.1-22-9 are due and payable in May and November of that year; or

(2) under IC 6-1.1-22-9.5 are due in installments established by the department of local government finance for that year.

The credit shall be applied to each installment of taxes. The dollar amount of the credit for each taxpayer shall be determined by the county auditor, based on data furnished by the department of local government finance.

(b) The tax liability of a taxpayer for the purpose of computing the credit for a particular year shall be based upon the taxpayer's tax liability as is evidenced by the tax duplicate for the taxes payable in that year, plus the amount by which the tax payable by the taxpayer had been reduced due to the application of county adjusted gross income tax revenues to the extent the county adjusted gross income tax revenues were included in the determination of the total county tax levy for that year, as provided in sections 2(g) and 3 of this chapter,

C  
o  
p  
y



adjusted, however, for any change in assessed valuation which may have been made pursuant to a postabstract adjustment if the change is set forth on the tax statement or on a corrected tax statement stating the taxpayer's tax liability, as prepared by the county treasurer in accordance with IC 6-1.1-22-8(a). However, except when using the term under section 2(l)(1) of this chapter, the tax liability of a taxpayer does not include the amount of any property tax owed by the taxpayer that is attributable to that part of any property tax levy subtracted under section 2(g)(1)(B), 2(g)(1)(C), 2(g)(1)(D), 2(g)(1)(E), 2(g)(1)(F), 2(g)(1)(G), 2(g)(1)(H), 2(g)(1)(I), **or 2(g)(1)(J) or 2(g)(1)(K)** of this chapter in computing the total county tax levy.

(c) The credit for taxes payable in a particular year with respect to mobile homes which are assessed under IC 6-1.1-7 is equivalent to the taxpayer's property tax replacement credit amount for the taxes payable with respect to the assessments plus the adjustments stated in this section.

(d) Each taxpayer in a taxing district that contains all or part of an economic development district that meets the requirements of section 5.5 of this chapter is entitled to an additional credit for property tax replacement. This credit is equal to the product of:

(1) the STEP TWO quotient determined under ~~section 4(a)(3)~~ **section 4(a)(4)** of this chapter for the taxing district; multiplied by

(2) the taxpayer's taxes levied in the taxing district that are allocated to a special fund under IC 6-1.1-39-5.

SECTION 15. IC 6-1.1-21-5.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: **Sec. 5.2. (a) Each year the taxpayers of each county shall receive a child welfare relief credit against the taxpayers' net child welfare levy liability for taxes that under:**

**(1) IC 6-1.1-22-9 are due and payable in May and November of the year; or**

**(2) IC 6-1.1-22-9.5 are due in installments established by the department of local government finance for the year.**

**The credit shall be applied to each installment of taxes. The dollar amount of the credit for each taxpayer shall be determined by the county auditor, based on data furnished by the department of local government finance.**

**(b) The amount of a taxpayer's child welfare relief credit for a particular year is equal to the taxpayer's child welfare relief credit amount for the particular year.**

C  
o  
p  
y





(c) The child welfare relief credit for taxes payable in a particular year with respect to mobile homes that are assessed under IC 6-1.1-7 is equal to the child welfare relief credit amount for the taxes payable with respect to the assessments.

(d) A taxpayer with property of the type eligible for a child welfare relief credit in a taxing district that contains all or part of an economic development district that meets the requirements of section 5.5 of this chapter is entitled to a credit to replace property taxes in addition to the credit granted under section 5 of this chapter. This credit is equal to the product of:

(1) the STEP FIVE quotient determined under section 4(a)(4) of this chapter for the taxing district; multiplied by

(2) the taxpayer's total net child welfare levy liability levied in the taxing district that is allocated to a special fund under IC 6-1.1-39-5.

SECTION 16. IC 6-1.1-21-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) On or before October 15 of each year, each county auditor shall, make a settlement with the department as to the aggregate amount of property tax replacement credits and child welfare relief credits extended to taxpayers in the auditor's county during the first eight (8) months of that same year. On or before December 31 of each year, each county auditor shall make a settlement with the department along with the filing of the county auditor's December settlement as to the aggregate amount of property tax replacement credits extended to taxpayers in the auditor's county during the last four (4) months of that same year. If the aggregate credits allowed during either period exceed the property tax replacement funds allocated and distributed to the county treasurer for that same period, as provided in sections 4 and 5 of this chapter, then the department shall certify the amount of the excess to the auditor of state who shall issue a warrant, payable from the property tax replacement fund, to the treasurer of the state ordering the payment of the excess to the county treasurer. If the distribution exceeds the aggregate credits, the county treasurer shall repay to the treasurer of the state the amount of the excess, which shall be redeposited in the property tax replacement fund.

(b) In making the settlement required by subsection (a), the county auditor shall recognize the fact that any loss of revenue resulting from the provision of homestead credits in excess of the percentage credit allowed in IC 6-1.1-20.9-2(d) must be paid from county option income revenues, **county economic development income tax, or other source of revenue designated in the law permitting the additional**

C  
o  
p  
y



1 **homestead credits.**

2 (c) Except as otherwise provided in this chapter, the state board of  
3 accounts with the cooperation of the department shall prescribe the  
4 accounting forms, records, and procedures required to carry out the  
5 provisions of this chapter.

6 SECTION 17. IC 6-1.1-21-11 IS AMENDED TO READ AS  
7 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. In the event the  
8 provisions of IC ~~1971~~, 6-1.1-7, regarding the assessment and taxation  
9 of mobile homes, are superseded by the imposition of an excise tax  
10 imposed on mobile homes in lieu of an ad valorem property tax, then  
11 the provisions of this chapter and the property tax replacement credit  
12 **and child welfare relief credit** provided under this chapter do not  
13 apply to the imposition and collection of such an excise tax on mobile  
14 homes.

15 SECTION 18. IC 6-1.1-21.5-6 IS AMENDED TO READ AS  
16 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) The receipt  
17 by the qualified taxing unit of the loan proceeds is not considered to be  
18 part of the ad valorem property tax levy actually collected by the  
19 qualified taxing unit for taxes first due and payable during a particular  
20 calendar year for the purpose of calculating the levy excess under  
21 IC 6-1.1-18.5-17 and IC 6-1.1-19-1.7. The receipt by the qualified  
22 taxing unit of any payment of delinquent tax owed by a taxpayer in  
23 bankruptcy is considered to be part of the ad valorem property tax levy  
24 actually collected by the qualified taxing unit for taxes first due and  
25 payable during a particular calendar year for the purpose of calculating  
26 the levy excess under IC 6-1.1-18.5-17 and IC 6-1.1-19-1.7.

27 (b) The loan proceeds and any payment of delinquent tax may be  
28 expended by the qualified taxing unit only to pay debts of the qualified  
29 taxing unit that have been incurred pursuant to duly adopted  
30 appropriations approved by the department of local government finance  
31 for operating expenses.

32 (c) In the event the sum of the receipts of the qualified taxing unit  
33 that are attributable to:

34 (1) the loan proceeds; and

35 (2) the payment of property taxes owed by a taxpayer in a  
36 bankruptcy proceeding initially filed in 2000 and payable in 2001;  
37 exceeds sixteen million dollars (\$16,000,000), the excess as received  
38 during any calendar year or years shall be set aside and treated for the  
39 calendar year when received as a levy excess subject to  
40 IC 6-1.1-18.5-17 or IC 6-1.1-19-1.7. In calculating the payment of  
41 property taxes as provided in subdivision (2), the amount of property  
42 tax credit finally allowed under IC 6-1.1-21-5 **and the child welfare**

C  
o  
p  
y



1 **relief credit finally allowed under IC 6-1.1-21-5.2** in respect to such  
2 taxes is deemed to be a payment of such property taxes.

3 (d) As used in this section, "delinquent tax" means any tax owed by  
4 a taxpayer in a bankruptcy proceeding initially filed in 2000 and that  
5 is not paid during the calendar year for which it was first due and  
6 payable.

7 SECTION 19. IC 6-1.1-21.7-8 IS AMENDED TO READ AS  
8 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. The board shall  
9 make a loan from the countercyclical revenue and economic  
10 stabilization fund to the taxing unit in the amount specified in the order  
11 of the department of local government finance under section 7 of this  
12 chapter not more than thirty (30) days after the department notifies the  
13 board under section 7 of this chapter that the appeal for emergency  
14 relief has been granted. The board and the taxing unit shall enter into  
15 a written agreement governing the terms and conditions of the loan.  
16 The agreement must contain the following provisions:

17 (1) The taxing unit is obligated to pay an interest rate of five  
18 percent (5%) simple interest per year on the outstanding balance  
19 of the loan.

20 (2) The taxing unit is obligated to begin repaying the principal of  
21 the loan after January 1 in the sixth year after the year in which  
22 the loan is granted.

23 (3) The taxing unit shall repay the loan on the schedule agreed to  
24 between the board and the taxing unit with the last payment being  
25 made not later than December 1 in the tenth year after the year in  
26 which the loan is granted.

27 (4) In addition to any other remedy available to the board, the  
28 board is authorized to offset the amount of any delinquent  
29 payment on the loan from property tax replacement credit, **child**  
30 **welfare relief credit**, or homestead credit distributions otherwise  
31 due the taxing unit.

32 SECTION 20. IC 6-1.1-21.7-11 IS AMENDED TO READ AS  
33 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. Loan proceeds  
34 shall be distributed to a taxing unit either on the same schedule as  
35 property tax replacement credits **and child welfare relief credits** are  
36 distributed under IC 6-1.1-21 or another schedule to which both the  
37 board and the taxing unit agree.

38 SECTION 21. IC 6-1.1-21.7-17 IS AMENDED TO READ AS  
39 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 17. If a taxing unit  
40 is delinquent in repaying a loan granted under this chapter, the board  
41 may certify the amount of the delinquency to the auditor of state and  
42 the department of state revenue. Upon receiving a certification under

C  
o  
p  
y



1 this section, the auditor of state and the department of state revenue  
 2 shall reimburse the board in the amount of the delinquency from  
 3 property tax replacement credit, **child welfare relief credit**, or  
 4 homestead credit distributions otherwise due the taxing unit. The  
 5 auditor of state and the department of state revenue shall reduce the  
 6 amount distributed for payment to the taxing unit by the amount paid  
 7 to the board under this section.

8 SECTION 22. IC 6-1.1-39-5, AS AMENDED BY P.L.4-2005,  
 9 SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 10 UPON PASSAGE]: Sec. 5. (a) A declaratory ordinance adopted under  
 11 section 2 of this chapter and confirmed under section 3 of this chapter  
 12 must include a provision with respect to the allocation and distribution  
 13 of property taxes for the purposes and in the manner provided in this  
 14 section. The allocation provision must apply to the entire economic  
 15 development district. The allocation provisions must require that any  
 16 property taxes subsequently levied by or for the benefit of any public  
 17 body entitled to a distribution of property taxes on taxable property in  
 18 the economic development district be allocated and distributed as  
 19 follows:

20 (1) Except as otherwise provided in this section, the proceeds of  
 21 the taxes attributable to the lesser of:

22 (A) the assessed value of the property for the assessment date  
 23 with respect to which the allocation and distribution is made;  
 24 or

25 (B) the base assessed value;  
 26 shall be allocated to and, when collected, paid into the funds of  
 27 the respective taxing units. However, if the effective date of the  
 28 allocation provision of a declaratory ordinance is after March 1,  
 29 1985, and before January 1, 1986, and if an improvement to  
 30 property was partially completed on March 1, 1985, the unit may  
 31 provide in the declaratory ordinance that the taxes attributable to  
 32 the assessed value of the property as finally determined for March  
 33 1, 1984, shall be allocated to and, when collected, paid into the  
 34 funds of the respective taxing units.

35 (2) Except as otherwise provided in this section, part or all of the  
 36 property tax proceeds in excess of those described in subdivision  
 37 (1), as specified in the declaratory ordinance, shall be allocated to  
 38 the unit for the economic development district and, when  
 39 collected, paid into a special fund established by the unit for that  
 40 economic development district that may be used only to pay the  
 41 principal of and interest on obligations owed by the unit under  
 42 IC 4-4-8 (before its repeal) or IC 5-28-9 for the financing of

C  
o  
p  
y



1 industrial development programs in, or serving, that economic  
 2 development district. The amount not paid into the special fund  
 3 shall be paid to the respective units in the manner prescribed by  
 4 subdivision (1).

5 (3) When the money in the fund is sufficient to pay all  
 6 outstanding principal of and interest (to the earliest date on which  
 7 the obligations can be redeemed) on obligations owed by the unit  
 8 under IC 4-4-8 (before its repeal) or IC 5-28-9 for the financing  
 9 of industrial development programs in, or serving, that economic  
 10 development district, money in the special fund in excess of that  
 11 amount shall be paid to the respective taxing units in the manner  
 12 prescribed by subdivision (1).

13 (b) Property tax proceeds allocable to the economic development  
 14 district under subsection (a)(2) must, subject to subsection (a)(3), be  
 15 irrevocably pledged by the unit for payment as set forth in subsection  
 16 (a)(2).

17 (c) For the purpose of allocating taxes levied by or for any taxing  
 18 unit or units, the assessed value of taxable property in a territory in the  
 19 economic development district that is annexed by any taxing unit after  
 20 the effective date of the allocation provision of the declaratory  
 21 ordinance is the lesser of:

- 22 (1) the assessed value of the property for the assessment date with
- 23 respect to which the allocation and distribution is made; or
- 24 (2) the base assessed value.

25 (d) Notwithstanding any other law, each assessor shall, upon  
 26 petition of the fiscal body, reassess the taxable property situated upon  
 27 or in, or added to, the economic development district effective on the  
 28 next assessment date after the petition.

29 (e) Notwithstanding any other law, the assessed value of all taxable  
 30 property in the economic development district, for purposes of tax  
 31 limitation, property tax replacement (except as provided in  
 32 IC 6-1.1-21-3(c), ~~IC 6-1.1-21-4(a)(3)~~, **IC 6-1.1-21-4(a)(4)**, and  
 33 IC 6-1.1-21-5(c), **and IC 6-1.1-21-5.2(d)**), and formulation of the  
 34 budget, tax rate, and tax levy for each political subdivision in which the  
 35 property is located is the lesser of:

- 36 (1) the assessed value of the property as valued without regard to
- 37 this section; or
- 38 (2) the base assessed value.

39 (f) The state board of accounts and department of local government  
 40 finance shall make the rules and prescribe the forms and procedures  
 41 that they consider expedient for the implementation of this chapter.  
 42 After each general reassessment under IC 6-1.1-4, the department of

C  
o  
p  
y



1 local government finance shall adjust the base assessed value one (1)  
 2 time to neutralize any effect of the general reassessment on the  
 3 property tax proceeds allocated to the district under this section.  
 4 However, the adjustment may not include the effect of property tax  
 5 abatements under IC 6-1.1-12.1.

6 (g) As used in this section, "property taxes" means:

- 7 (1) taxes imposed under this article on real property; and
- 8 (2) any part of the taxes imposed under this article on depreciable  
 9 personal property that the unit has by ordinance allocated to the  
 10 economic development district. However, the ordinance may not  
 11 limit the allocation to taxes on depreciable personal property with  
 12 any particular useful life or lives.

13 If a unit had, by ordinance adopted before May 8, 1987, allocated to an  
 14 economic development district property taxes imposed under IC 6-1.1  
 15 on depreciable personal property that has a useful life in excess of eight  
 16 (8) years, the ordinance continues in effect until an ordinance is  
 17 adopted by the unit under subdivision (2).

18 (h) As used in this section, "base assessed value" means:

- 19 (1) the net assessed value of all the property as finally determined  
 20 for the assessment date immediately preceding the effective date  
 21 of the allocation provision of the declaratory resolution, as  
 22 adjusted under subsection (f); plus
- 23 (2) to the extent that it is not included in subdivision (1), the net  
 24 assessed value of property that is assessed as residential property  
 25 under the rules of the department of local government finance, as  
 26 finally determined for any assessment date after the effective date  
 27 of the allocation provision.

28 Subdivision (2) applies only to economic development districts  
 29 established after June 30, 1997, and to additional areas established  
 30 after June 30, 1997.

31 SECTION 23. IC 6-1.1-39-6 IS AMENDED TO READ AS  
 32 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) An economic  
 33 development district may be enlarged by the fiscal body by following  
 34 the same procedure for the creation of an economic development  
 35 district specified in this chapter. Property taxes that are attributable to  
 36 the additional area and allocable to the economic development district  
 37 are not eligible for the property tax replacement credit provided by  
 38 IC 6-1.1-21-5 **or a child welfare relief credit under IC 6-1.1-21-5.2.**  
 39 However, subject to subsection (c) and except as provided in  
 40 subsection (f), each taxpayer in an additional area is entitled to an  
 41 additional credit for taxes (as defined in IC 6-1.1-21-2) that under  
 42 IC 6-1.1-22-9 are due and payable in May and November of that year

C  
o  
p  
y



1 **or under IC 6-1.1-22-9.5 are due in installments established by the**  
 2 **department of local government finance for that year.** Except as  
 3 provided in subsection (f), one-half (1/2) of the credit shall be applied  
 4 to each installment of taxes (as defined in IC 6-1.1-21-2). This credit  
 5 equals the amount determined under the following STEPS for each  
 6 taxpayer in a taxing district in a county that contains all or part of the  
 7 additional area:

8 STEP ONE: Determine that part of the sum of the amounts under  
 9 IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2) that is attributable  
 10 to the taxing district.

11 STEP TWO: Divide:

12 (A) that part of the county's eligible property tax replacement  
 13 amount (as defined in IC 6-1.1-21-2) for that year as  
 14 determined under IC 6-1.1-21-4 that is attributable to the  
 15 taxing district; by

16 (B) the STEP ONE sum.

17 STEP THREE: Multiply:

18 (A) the STEP TWO quotient; times

19 (B) the total amount of the taxpayer's taxes (as defined in  
 20 IC 6-1.1-21-2) levied in the taxing district that would have  
 21 been allocated to a special fund under section 5 of this chapter  
 22 had the additional credit described in this ~~section~~ STEP not  
 23 been given.

24 **STEP FOUR: Determine the total net child welfare levy (as**  
 25 **defined in IC 6-1.1-21-2.2) that is attributable to the taxing**  
 26 **district.**

27 STEP FIVE: Divide:

28 (A) that part of the estimated child welfare relief  
 29 replacement amount (as defined in IC 6-1.1-21-2.2)  
 30 attributable to the taxing district; by

31 (B) the STEP FOUR amount.

32 STEP SIX: Multiply:

33 (A) the STEP FIVE quotient; times

34 (B) the total amount of the taxpayer's total net child  
 35 welfare levy liability (as defined in IC 6-1.1-21-2.2) levied  
 36 in the taxing district that would have been allocated to a  
 37 special fund under section 5 of this chapter had the  
 38 additional credit described in this STEP not been given.

39 **STEP SEVEN: Add the STEP THREE result and the STEP**  
 40 **SIX result.**

41 The additional credit reduces the amount of proceeds allocated to the  
 42 economic development district and paid into a special fund under

C  
o  
p  
y



section 5(a) of this chapter.

(b) If the additional credit under subsection (a) is not reduced under subsection (c) or (d), the credit for property tax replacement under IC 6-1.1-21-5, **the child welfare relief credit under IC 6-1.1-21-5.2**, and the additional credit under subsection (a) shall be computed on an aggregate basis for all taxpayers in a taxing district that contains all or part of an additional area. The credit for property tax replacement under IC 6-1.1-21-5, **the child welfare relief credit under IC 6-1.1-21-5.2**, and the additional credit under subsection (a) shall be combined on the tax statements sent to each taxpayer.

(c) The county fiscal body may, by ordinance, provide that the additional credit described in subsection (a):

(1) does not apply in a specified additional area; or

(2) is to be reduced by a uniform percentage for all taxpayers in a specified additional area.

(d) Whenever the county fiscal body determines that granting the full additional credit under subsection (a) would adversely affect the interests of the holders of bonds or other contractual obligations that are payable from allocated tax proceeds in that economic development district in a way that would create a reasonable expectation that those bonds or other contractual obligations would not be paid when due, the county fiscal body must adopt an ordinance under subsection (c) to deny the additional credit or reduce the additional credit to a level that creates a reasonable expectation that the bonds or other obligations will be paid when due. An ordinance adopted under subsection (c) denies or reduces the additional credit for taxes (as defined in IC 6-1.1-21-2) first due and payable in any year following the year in which the ordinance is adopted.

(e) An ordinance adopted under subsection (c) remains in effect until the ordinance is rescinded by the body that originally adopted the ordinance. However, an ordinance may not be rescinded if the rescission would adversely affect the interests of the holders of bonds or other obligations that are payable from allocated tax proceeds in that economic development district in a way that would create a reasonable expectation that the principal of or interest on the bonds or other obligations would not be paid when due. If an ordinance is rescinded and no other ordinance is adopted, the additional credit described in subsection (a) applies to taxes (as defined in IC 6-1.1-21-2) first due and payable in each year following the year in which the resolution is rescinded.

(f) This subsection applies to an additional area only to the extent that the net assessed value of property that is assessed as residential

C  
o  
p  
y





property under the rules of the department of local government finance is not included in the base assessed value. If property tax installments with respect to a homestead (as defined in IC 6-1.1-20.9-1) are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an additional area is entitled to an additional credit under subsection (a) for the taxes (as defined in IC 6-1.1-21-2) due in installments. The credit shall be applied in the same proportion to each installment of taxes (as defined in IC 6-1.1-21-2).

SECTION 24. IC 6-3.5-1.1-15, AS AMENDED BY P.L.207-2005, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 15. (a) As used in this section, "attributed allocation amount" of a civil taxing unit for a calendar year means the sum of:

(1) the allocation amount of the civil taxing unit for that calendar year; plus

(2) the current ad valorem property tax levy of any special taxing district, authority, board, or other entity formed to discharge governmental services or functions on behalf of or ordinarily attributable to the civil taxing unit; plus

(3) in the case of a county, an amount equal to:

(A) the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund; and

(B) after 2009, the total child welfare levy (as defined in IC 6-1.1-21-2.2) imposed by the county in 2009.

(b) The part of a county's certified distribution that is to be used as certified shares shall be allocated only among the county's civil taxing units. Each civil taxing unit of a county is entitled to receive a certified share during a calendar year in an amount determined in STEP TWO of the following formula:

STEP ONE: Divide:

(A) the attributed allocation amount of the civil taxing unit during that calendar year; by

(B) the sum of the attributed allocation amounts of all the civil taxing units of the county during that calendar year.

STEP TWO: Multiply the part of the county's certified distribution that is to be used as certified shares by the STEP ONE amount.

(c) The local government tax control board established by IC 6-1.1-18.5-11 shall determine the attributed levies of civil taxing units that are entitled to receive certified shares during a calendar year. If the ad valorem property tax levy of any special taxing district,

C  
o  
p  
y



1 authority, board, or other entity is attributed to another civil taxing unit  
 2 under subsection (a)(2), then the special taxing district, authority,  
 3 board, or other entity shall not be treated as having an attributed  
 4 allocation amount of its own. The local government tax control board  
 5 shall certify the attributed allocation amounts to the appropriate county  
 6 auditor. The county auditor shall then allocate the certified shares  
 7 among the civil taxing units of the auditor's county.

8 (d) Certified shares received by a civil taxing unit shall be treated  
 9 as additional revenue for the purpose of fixing its budget for the  
 10 calendar year during which the certified shares will be received. The  
 11 certified shares may be allocated to or appropriated for any purpose,  
 12 including property tax relief or a transfer of funds to another civil  
 13 taxing unit whose levy was attributed to the civil taxing unit in the  
 14 determination of its attributed allocation amount.

15 SECTION 25. IC 6-3.5-6-1.1, AS ADDED BY P.L.207-2005,  
 16 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 17 JULY 1, 2006]: Sec. 1.1. (a) For purposes of allocating the certified  
 18 distribution made to a county under this chapter among the civil taxing  
 19 units in the county, the allocation amount for a civil taxing unit is the  
 20 amount determined using the following formula:

21 STEP ONE: Determine the total property taxes that are first due  
 22 and payable to the civil taxing unit during the calendar year of the  
 23 distribution plus, for a county, an amount equal to:

24 (A) the property taxes imposed by the county in 1999 for the  
 25 county's welfare fund and welfare administration fund; **and**

26 **(B) after 2009, the total child welfare levy (as defined in**  
 27 **IC 6-1.1-21-2.2) imposed by the county in 2009.**

28 STEP TWO: Determine the sum of the following:

29 (A) Amounts appropriated from property taxes to pay the  
 30 principal of or interest on any debenture or other debt  
 31 obligation issued after June 30, 2005, other than an obligation  
 32 described in subsection (b).

33 (B) Amounts appropriated from property taxes to make  
 34 payments on any lease entered into after June 30, 2005, other  
 35 than a lease described in subsection (c).

36 (C) The proceeds of any property that are:

37 (i) received as the result of the issuance of a debt obligation  
 38 described in clause (A) or a lease described in clause (B);  
 39 and

40 (ii) appropriated from property taxes for any purpose other  
 41 than to refund or otherwise refinance a debt obligation or  
 42 lease described in subsection (b) or (c).

C  
o  
p  
y



STEP THREE: Subtract the STEP TWO amount from the STEP ONE amount.

STEP FOUR: Determine the sum of:

(A) the STEP THREE amount; plus

(B) the civil taxing unit's or school corporation's certified distribution for the previous calendar year.

(b) Except as provided in this subsection, an appropriation from property taxes to repay interest and principal of a debt obligation is not deducted from the allocation amount for a civil taxing unit if:

(1) the debt obligation was issued; and

(2) the proceeds appropriated from property taxes;

to refund or otherwise refinance a debt obligation or a lease issued before July 1, 2005. However, an appropriation from property taxes related to a debt obligation issued after June 30, 2005, is deducted if the debt extends payments on a debt or lease beyond the time in which the debt or lease would have been payable if the debt or lease had not been refinanced or increases the total amount that must be paid on a debt or lease in excess of the amount that would have been paid if the debt or lease had not been refinanced. The amount of the deduction is the annual amount for each year of the extension period or the annual amount of the increase over the amount that would have been paid.

(c) Except as provided in this subsection, an appropriation from property taxes to make payments on a lease is not deducted from the allocation amount for a civil taxing unit if:

(1) the lease was issued; and

(2) the proceeds were appropriated from property taxes;

to refinance a debt obligation or lease issued before July 1, 2005. However, an appropriation from property taxes related to a lease entered into after June 30, 2005, is deducted if the lease extends payments on a debt or lease beyond the time in which the debt or lease would have been payable if it had not been refinanced or increases the total amount that must be paid on a debt or lease in excess of the amount that would have been paid if the debt or lease had not been refinanced. The amount of the deduction is the annual amount for each year of the extension period or the annual amount of the increase over the amount that would have been paid.

SECTION 26. IC 6-3.5-6-18.5, AS AMENDED BY P.L.234-2005, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 18.5. (a) This section applies to a county containing a consolidated city.

(b) Notwithstanding section 18(e) of this chapter, the distributive shares that each civil taxing unit in a county containing a consolidated

C  
o  
p  
y



- city is entitled to receive during a month equals the following:
- (1) For the calendar year beginning January 1, 1995, calculate the total amount of revenues that are to be distributed as distributive shares during that month multiplied by the following factor:
- |                            |        |
|----------------------------|--------|
| Center Township            | .0251  |
| Decatur Township           | .00217 |
| Franklin Township          | .0023  |
| Lawrence Township          | .01177 |
| Perry Township             | .01130 |
| Pike Township              | .01865 |
| Warren Township            | .01359 |
| Washington Township        | .01346 |
| Wayne Township             | .01307 |
| Lawrence-City              | .00858 |
| Beech Grove                | .00845 |
| Southport                  | .00025 |
| Speedway                   | .00722 |
| Indianapolis/Marion County | .86409 |
- (2) Notwithstanding subdivision (1), for the calendar year beginning January 1, 1995, the distributive shares for each civil taxing unit in a county containing a consolidated city shall be not less than the following:
- |                     |             |
|---------------------|-------------|
| Center Township     | \$1,898,145 |
| Decatur Township    | \$164,103   |
| Franklin Township   | \$173,934   |
| Lawrence Township   | \$890,086   |
| Perry Township      | \$854,544   |
| Pike Township       | \$1,410,375 |
| Warren Township     | \$1,027,721 |
| Washington Township | \$1,017,890 |
| Wayne Township      | \$988,397   |
| Lawrence-City       | \$648,848   |
| Beech Grove         | \$639,017   |
| Southport           | \$18,906    |
| Speedway            | \$546,000   |
- (3) For each year after 1995, calculate the total amount of revenues that are to be distributed as distributive shares during that month as follows:
- STEP ONE: Determine the total amount of revenues that were distributed as distributive shares during that month in calendar year 1995.
- STEP TWO: Determine the total amount of revenue that the

**C**  
**O**  
**P**  
**Y**



department has certified as distributive shares for that month under section 17 of this chapter for the calendar year.

STEP THREE: Subtract the STEP ONE result from the STEP TWO result.

STEP FOUR: If the STEP THREE result is less than or equal to zero (0), multiply the STEP TWO result by the ratio established under subdivision (1).

STEP FIVE: Determine the ratio of:

(A) the maximum permissible property tax levy under IC 6-1.1-18.5, IC 12-19-7 (**before January 1, 2010**), and IC 12-19-7.5 (**before January 1, 2010**) for each civil taxing unit for the calendar year in which the month falls, plus, for a county, an amount equal to:

(i) the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund;

**and**

(ii) **after 2009, the total child welfare levy (as defined in IC 6-1.1-21-2.2) imposed by the county in 2009;**

divided by

(B) the sum of the maximum permissible property tax levies under IC 6-1.1-18.5, IC 12-19-7 (**before January 1, 2010**), and IC 12-19-7.5 (**before January 1, 2010**) for all civil taxing units of the county during the calendar year in which the month falls, and an amount equal to:

(i) the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund;

**and**

(ii) **after 2009, the total child welfare levy (as defined in IC 6-1.1-21-2.2) imposed by the county in 2009.**

STEP SIX: If the STEP THREE result is greater than zero (0), the STEP ONE amount shall be distributed by multiplying the STEP ONE amount by the ratio established under subdivision (1).

STEP SEVEN: For each taxing unit determine the STEP FIVE ratio multiplied by the STEP TWO amount.

STEP EIGHT: For each civil taxing unit determine the difference between the STEP SEVEN amount minus the product of the STEP ONE amount multiplied by the ratio established under subdivision (1). The STEP THREE excess shall be distributed as provided in STEP NINE only to the civil taxing units that have a STEP EIGHT difference greater than or equal to zero (0).

C  
o  
p  
y



STEP NINE: For the civil taxing units qualifying for a distribution under STEP EIGHT, each civil taxing unit's share equals the STEP THREE excess multiplied by the ratio of:

(A) the maximum permissible property tax levy under IC 6-1.1-18.5, IC 12-19-7 (**before January 1, 2010**), and IC 12-19-7.5 (**before January 1, 2010**) for the qualifying civil taxing unit during the calendar year in which the month falls, plus, for a county, an amount equal to:

(i) the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund;

**and**

(ii) **after 2009, the total child welfare levy (as defined in IC 6-1.1-21-2.2) imposed by the county in 2009;**

divided by

(B) the sum of the maximum permissible property tax levies under IC 6-1.1-18.5, IC 12-19-7 (**before January 1, 2010**), and IC 12-19-7.5 (**before January 1, 2010**) for all qualifying civil taxing units of the county during the calendar year in which the month falls, and an amount equal to:

(i) the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund;

**and**

(ii) **after 2009, the total child welfare levy (as defined in IC 6-1.1-21-2.2) imposed by the county in 2009.**

SECTION 27. IC 6-3.5-7-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 12. (a) Except as provided in sections 23, 25, 26, and 27 of this chapter, the county auditor shall distribute in the manner specified in this section the certified distribution to the county.

(b) Except as provided in subsections (c) and (h) and sections 15 and 25 of this chapter, the amount of the certified distribution that the county and each city or town in a county is entitled to receive during May and November of each year equals the product of the following:

(1) The amount of the certified distribution for that month; multiplied by

(2) A fraction. The numerator of the fraction equals the sum of the following:

(A) Total property taxes that are first due and payable to the county, city, or town during the calendar year in which the month falls; plus

(B) For a county, an amount equal to the property taxes

C  
o  
p  
y



imposed by the county in 1999 for the county's welfare fund and welfare administration fund.

**(C) After 2009, an amount equal to the total child welfare levy (as defined in IC 6-1.1-21-2.2) imposed by the county in 2009.**

The denominator of the fraction equals the sum of the total property taxes that are first due and payable to the county and all cities and towns of the county during the calendar year in which the month falls, plus an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund **and after 2009, the total child welfare levy (as defined in IC 6-1.1-21-2.2) imposed by the county in 2009.**

(c) This subsection applies to a county council or county income tax council that imposes a tax under this chapter after June 1, 1992. The body imposing the tax may adopt an ordinance before July 1 of a year to provide for the distribution of certified distributions under this subsection instead of a distribution under subsection (b). The following apply if an ordinance is adopted under this subsection:

(1) The ordinance is effective January 1 of the following year.

(2) Except as provided in sections 25 and 26 of this chapter, the amount of the certified distribution that the county and each city and town in the county is entitled to receive during May and November of each year equals the product of:

(A) the amount of the certified distribution for the month; multiplied by

(B) a fraction. For a city or town, the numerator of the fraction equals the population of the city or the town. For a county, the numerator of the fraction equals the population of the part of the county that is not located in a city or town. The denominator of the fraction equals the sum of the population of all cities and towns located in the county and the population of the part of the county that is not located in a city or town.

(3) The ordinance may be made irrevocable for the duration of specified lease rental or debt service payments.

(d) The body imposing the tax may not adopt an ordinance under subsection (c) if, before the adoption of the proposed ordinance, any of the following have pledged the county economic development income tax for any purpose permitted by IC 5-1-14 or any other statute:

(1) The county.

(2) A city or town in the county.

(3) A commission, a board, a department, or an authority that is

C  
o  
p  
y



1 authorized by statute to pledge the county economic development  
2 income tax.

3 (e) The department of local government finance shall provide each  
4 county auditor with the fractional amount of the certified distribution  
5 that the county and each city or town in the county is entitled to receive  
6 under this section.

7 (f) Money received by a county, city, or town under this section  
8 shall be deposited in the unit's economic development income tax fund.

9 (g) Except as provided in subsection (b)(2)(B), in determining the  
10 fractional amount of the certified distribution the county and its cities  
11 and towns are entitled to receive under subsection (b) during a calendar  
12 year, the department of local government finance shall consider only  
13 property taxes imposed on tangible property subject to assessment in  
14 that county.

15 (h) In a county having a consolidated city, only the consolidated city  
16 is entitled to the certified distribution, subject to the requirements of  
17 sections 15, 25, and 26 of this chapter.

18 SECTION 28. IC 6-3.5-7-13.1, AS AMENDED BY P.L.118-2005,  
19 SECTION 2, AND AS AMENDED BY P.L.214-2005, SECTION 21,  
20 IS CORRECTED AND AMENDED TO READ AS FOLLOWS  
21 [EFFECTIVE UPON PASSAGE]: Sec. 13.1. (a) The fiscal officer of  
22 each county, city, or town for a county in which the county economic  
23 development tax is imposed shall establish an economic development  
24 income tax fund. Except as provided in sections 23, 25, 26, and 27 of  
25 this chapter, the revenue received by a county, city, or town under this  
26 chapter shall be deposited in the unit's economic development income  
27 tax fund.

28 (b) Except as provided in sections 15, 23, 25, 26, and 27 of this  
29 chapter, revenues from the county economic development income tax  
30 may be used as follows:

31 (1) By a county, city, or town for economic development projects,  
32 for paying, notwithstanding any other law, under a written  
33 agreement all or a part of the interest owed by a private developer  
34 or user on a loan extended by a financial institution or other  
35 lender to the developer or user if the proceeds of the loan are or  
36 are to be used to finance an economic development project, for  
37 the retirement of bonds under section 14 of this chapter for  
38 economic development projects, for leases under section 21 of  
39 this chapter, or for leases or bonds entered into or issued prior to  
40 the date the economic development income tax was imposed if  
41 the purpose of the lease or bonds would have qualified as a  
42 purpose under this chapter at the time the lease was entered into

C  
o  
p  
y





or the bonds were issued.

(2) By a county, city, or town for:

(A) the construction or acquisition of, or remedial action with respect to, a capital project for which the unit is empowered to issue general obligation bonds or establish a fund under any statute listed in IC 6-1.1-18.5-9.8;

(B) the retirement of bonds issued under any provision of Indiana law for a capital project;

(C) the payment of lease rentals under any statute for a capital project;

(D) contract payments to a nonprofit corporation whose primary corporate purpose is to assist government in planning and implementing economic development projects;

(E) operating expenses of a governmental entity that plans or implements economic development projects;

(F) to the extent not otherwise allowed under this chapter, funding substance removal or remedial action in a designated unit; or

(G) funding of a revolving fund established under IC 5-1-14-14.

(3) *By a county, city, or town for any lawful purpose for which money in any of its other funds may be used.*

~~(3)~~ (4) *By a city or county described in IC 36-7.5-2-3(b) for making transfers required by IC 36-7.5-4-2. If the county economic development income tax rate is increased after April 30, 2005, in a county having a population of more than one hundred forty-five thousand (145,000) but less than one hundred forty-eight thousand (148,000), the first three million five hundred thousand dollars (\$3,500,000) of the tax revenue that results each year from the tax rate increase shall be used by the county only to make the county's transfer required by IC 36-7.5-4-2. The first three million five hundred thousand dollars (\$3,500,000) of the tax revenue that results each year from the tax rate increase shall be paid by the county treasurer to the treasurer of the northwest Indiana regional development authority under IC 36-7.5-4-2 before certified distributions are made to the county or any cities or towns in the county under this chapter from the tax revenue that results each year from the tax rate increase. In a county having a population of more than one hundred forty-five thousand (145,000) but less than one hundred forty-eight thousand (148,000), all of the tax revenue that results each year from the tax rate increase that is in excess of the first*

C  
o  
p  
y



1        *three million five hundred thousand dollars (\$3,500,000) that*  
 2        *results each year from the tax rate increase must be used by the*  
 3        *county and cities and towns in the county for additional*  
 4        *homestead credits under subdivision ~~(4)~~ (5).*

5        ~~(4)~~ (5) *This subdivision applies only in a county having a*  
 6        *population of more than one hundred forty-five thousand*  
 7        *(145,000) but less than one hundred forty-eight thousand*  
 8        *(148,000). Except as otherwise provided, the procedures and*  
 9        *definitions in IC 6-1.1-20.9 apply to this subdivision. All of the*  
 10        *tax revenue that results each year from a tax rate increase*  
 11        *described in subdivision ~~(3)~~ (4) that is in excess of the first three*  
 12        *million five hundred thousand dollars (\$3,500,000) that results*  
 13        *each year from the tax rate increase must be used by the county*  
 14        *and cities and towns in the county for additional homestead*  
 15        *credits under this subdivision. The following apply to additional*  
 16        *homestead credits provided under this subdivision:*

17        (A) *The additional homestead credits must be applied*  
 18        *uniformly to increase the homestead credit under*  
 19        *IC 6-1.1-20.9 for homesteads in the county, city, or town.*

20        (B) *The additional homestead credits shall be treated for all*  
 21        *purposes as property tax levies. The additional homestead*  
 22        *credits do not reduce the basis for determining the state*  
 23        *property tax replacement credit under ~~IC 6-1.1-21~~*  
 24        **IC 6-1.1-21-5** *or the state homestead credit under*  
 25        *IC 6-1.1-20.9.*

26        (C) *The additional homestead credits shall be applied to the*  
 27        *net property taxes due on the homestead after the application*  
 28        *of all other assessed value deductions or property tax*  
 29        *deductions and credits that apply to the amount owed under*  
 30        *IC 6-1.1.*

31        (D) *The department of local government finance shall*  
 32        *determine the additional homestead credit percentage for a*  
 33        *particular year based on the amount of county economic*  
 34        *development income tax revenue that will be used under this*  
 35        *subdivision to provide additional homestead credits in that*  
 36        *year.*

37        ~~(5)~~ (6) *This subdivision applies only in a county having a*  
 38        *population of more than four hundred thousand (400,000) but*  
 39        *less than seven hundred thousand (700,000). Except as otherwise*  
 40        *provided, the procedures and definitions in IC 6-1.1-20.9 apply*  
 41        *to this subdivision. A county or a city or town in the county may*  
 42        *use county economic development income tax revenue to provide*

C  
o  
p  
y



1 additional homestead credits in the county, city, or town. The  
 2 following apply to additional homestead credits provided under  
 3 this subdivision:

4 (A) The county, city, or town fiscal body must adopt an  
 5 ordinance authorizing the additional homestead credits. The  
 6 ordinance must:

7 (i) be adopted before September 1 of a year to apply to  
 8 property taxes first due and payable in the following year;  
 9 and

10 (ii) specify the amount of county economic development  
 11 income tax revenue that will be used to provide additional  
 12 homestead credits in the following year.

13 (B) A county, city, or town fiscal body that adopts an  
 14 ordinance under this subdivision must forward a copy of the  
 15 ordinance to the county auditor and the department of local  
 16 government finance not more than thirty (30) days after the  
 17 ordinance is adopted.

18 (C) The additional homestead credits must be applied  
 19 uniformly to increase the homestead credit under  
 20 IC 6-1.1-20.9 for homesteads in the county, city, or town.

21 (D) The additional homestead credits shall be treated for all  
 22 purposes as property tax levies. The additional homestead  
 23 credits do not reduce the basis for determining the state  
 24 property tax replacement credit under ~~IC 6-1.1-21~~  
 25 **IC 6-1.1-21-5** or the state homestead credit under  
 26 IC 6-1.1-20.9.

27 (E) The additional homestead credits shall be applied to the  
 28 net property taxes due on the homestead after the application  
 29 of all other assessed value deductions or property tax  
 30 deductions and credits that apply to the amount owed under  
 31 IC 6-1.1.

32 (F) The department of local government finance shall  
 33 determine the additional homestead credit percentage for a  
 34 particular year based on the amount of county economic  
 35 development income tax revenue that will be used under this  
 36 subdivision to provide additional homestead credits in that  
 37 year.

38 (c) As used in this section, an economic development project is any  
 39 project that:

40 (1) the county, city, or town determines will:

41 (A) promote significant opportunities for the gainful  
 42 employment of its citizens;

C  
o  
p  
y



- 1 (B) attract a major new business enterprise to the unit; or  
 2 (C) retain or expand a significant business enterprise within  
 3 the unit; and  
 4 (2) involves an expenditure for:  
 5 (A) the acquisition of land;  
 6 (B) interests in land;  
 7 (C) site improvements;  
 8 (D) infrastructure improvements;  
 9 (E) buildings;  
 10 (F) structures;  
 11 (G) rehabilitation, renovation, and enlargement of buildings  
 12 and structures;  
 13 (H) machinery;  
 14 (I) equipment;  
 15 (J) furnishings;  
 16 (K) facilities;  
 17 (L) administrative expenses associated with such a project,  
 18 including contract payments authorized under subsection  
 19 (b)(2)(D);  
 20 (M) operating expenses authorized under subsection (b)(2)(E);  
 21 or  
 22 (N) to the extent not otherwise allowed under this chapter,  
 23 substance removal or remedial action in a designated unit;  
 24 or any combination of these.

25 *(d) If there are bonds outstanding that have been issued under*  
 26 *section 14 of this chapter or leases in effect under section 21 of this*  
 27 *chapter, a county, city, or town may not expend money from its*  
 28 *economic development income tax fund for a purpose authorized under*  
 29 *subsection (b)(3) in a manner that would adversely affect owners of the*  
 30 *outstanding bonds or payment of any lease rentals due.*

31 SECTION 29. IC 6-3.5-7-23 IS AMENDED TO READ AS  
 32 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 23. (a) This section  
 33 applies only to a county having a population of more than fifty-five  
 34 thousand (55,000) but less than sixty-five thousand (65,000).

35 (b) The county council may by ordinance determine that, in order to  
 36 promote the development of libraries in the county and thereby  
 37 encourage economic development, it is necessary to use economic  
 38 development income tax revenue to replace library property taxes in  
 39 the county. However, a county council may adopt an ordinance under  
 40 this subsection only if all territory in the county is included in a library  
 41 district.

42 (c) If the county council makes a determination under subsection

C  
o  
p  
y



(b), the county council may designate the county economic development income tax revenue generated by the tax rate adopted under section 5 of this chapter, or revenue generated by a portion of the tax rate, as revenue that will be used to replace public library property taxes imposed by public libraries in the county. The county council may not designate for library property tax replacement purposes any county economic development income tax revenue that is generated by a tax rate of more than fifteen-hundredths percent (0.15%).

(d) The county treasurer shall establish a library property tax replacement fund to be used only for the purposes described in this section. County economic development income tax revenues derived from the portion of the tax rate designated for property tax replacement credits under subsection (c) shall be deposited in the library property tax replacement fund before certified distributions are made under section 12 of this chapter. Any interest earned on money in the library property tax replacement fund shall be credited to the library property tax replacement fund.

(e) The amount of county economic development income tax revenue dedicated to providing library property tax replacement credits shall, in the manner prescribed in this section, be allocated to public libraries operating in the county and shall be used by those public libraries as property tax replacement credits. The amount of property tax replacement credits that each public library in the county is entitled to receive during a calendar year under this section equals the lesser of:

(1) the product of:

(A) the amount of revenue deposited by the county auditor in the library property tax replacement fund; multiplied by

(B) a fraction described as follows:

(i) The numerator of the fraction equals the sum of the total property taxes that would have been collected by the public library during the previous calendar year from taxpayers located within the library district if the property tax replacement under this section had not been in effect.

(ii) The denominator of the fraction equals the sum of the total property taxes that would have been collected during the previous year from taxpayers located within the county by all public libraries that are eligible to receive property tax replacement credits under this section if the property tax replacement under this section had not been in effect; or

(2) the total property taxes that would otherwise be collected by the public library for the calendar year if the property tax replacement credit under this section were not in effect.

C  
o  
p  
y



The department of local government finance shall make any adjustments necessary to account for the expansion of a library district. However, a public library is eligible to receive property tax replacement credits under this section only if it has entered into reciprocal borrowing agreements with all other public libraries in the county. If the total amount of county economic development income tax revenue deposited by the county auditor in the library property tax replacement fund for a calendar year exceeds the total property tax liability that would otherwise be imposed for public libraries in the county for the year, the excess shall remain in the library property tax replacement fund and shall be used for library property tax replacement purposes in the following calendar year.

(f) Notwithstanding subsection (e), if a public library did not impose a property tax levy during the previous calendar year, that public library is entitled to receive a part of the property tax replacement credits to be distributed for the calendar year. The amount of property tax replacement credits the public library is entitled to receive during the calendar year equals the product of:

(1) the amount of revenue deposited in the library property tax replacement fund; multiplied by

(2) a fraction. The numerator of the fraction equals the budget of the public library for that calendar year. The denominator of the fraction equals the aggregate budgets of public libraries in the county for that calendar year.

If for a calendar year a public library is allocated a part of the property tax replacement credits under this subsection, then the amount of property tax credits distributed to other public libraries in the county for the calendar year shall be reduced by the amount to be distributed as property tax replacement credits under this subsection. The department of local government finance shall make any adjustments required by this subsection and provide the adjustments to the county auditor.

(g) The department of local government finance shall inform the county auditor of the amount of property tax replacement credits that each public library in the county is entitled to receive under this section. The county auditor shall certify to each public library the amount of property tax replacement credits that the public library is entitled to receive during that calendar year. The county auditor shall also certify these amounts to the county treasurer.

(h) A public library receiving property tax replacement credits under this section shall allocate the credits among each fund for which a distinct property tax levy is imposed. The amount that must be

C  
o  
p  
y



1 allocated to each fund equals:

2 (1) the amount of property tax replacement credits provided to the  
3 public library under this section; multiplied by

4 (2) the amount determined in STEP THREE of the following  
5 formula:

6 STEP ONE: Determine the property taxes that would have  
7 been collected for each fund by the public library during the  
8 previous calendar year if the property tax replacement under  
9 this section had not been in effect.

10 STEP TWO: Determine the sum of the total property taxes that  
11 would have been collected for all funds by the public library  
12 during the previous calendar year if the property tax  
13 replacement under this section had not been in effect.

14 STEP THREE: Divide the STEP ONE amount by the STEP  
15 TWO amount.

16 However, if a public library did not impose a property tax levy during  
17 the previous calendar year or did not impose a property tax levy for a  
18 particular fund during the previous calendar year, but the public library  
19 is imposing a property tax levy in the current calendar year or is  
20 imposing a property tax levy for the particular fund in the current  
21 calendar year, the department of local government finance shall adjust  
22 the amount of property tax replacement credits allocated among the  
23 various funds of the public library and shall provide the adjustment to  
24 the county auditor. If a public library receiving property tax  
25 replacement credits under this section does not impose a property tax  
26 levy for a particular fund that is first due and payable in a calendar year  
27 in which the property tax replacement credits are being distributed, the  
28 public library is not required to allocate to that fund a part of the  
29 property tax replacement credits to be distributed to the public library.  
30 Notwithstanding IC 6-1.1-20-1.1(1), a public library that receives  
31 property tax replacement credits under this section is subject to the  
32 procedures for the issuance of bonds set forth in IC 6-1.1-20.

33 (i) For each public library that receives property tax credits under  
34 this section, the department of local government finance shall certify  
35 to the county auditor the property tax rate applicable to each fund after  
36 the property tax replacement credits are allocated.

37 (j) A public library shall treat property tax replacement credits  
38 received during a particular calendar year under this section as a part  
39 of the public library's property tax levy for each fund for that same  
40 calendar year for purposes of fixing the public library's budget and for  
41 purposes of the property tax levy limits imposed by IC 6-1.1-18.5.

42 (k) The property tax replacement credits that are received under this

C  
o  
p  
y



section do not reduce the total county tax levy that is used to compute the state property tax replacement credit under ~~IC 6-1.1-21~~. **IC 6-1.1-21-5.** For the purpose of computing and distributing certified distributions under IC 6-3.5-1.1 and tax revenue under IC 6-5.5 or IC 6-6-5, the property tax replacement credits that are received under this section shall be treated as though they were property taxes that were due and payable during that same calendar year.

SECTION 30. IC 6-5.5-8-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 2. (a) On or before February 1, May 1, August 1, and December 1 of each year the auditor of state shall transfer to each county auditor for distribution to the taxing units (as defined in IC 6-1.1-1-21) in the county, an amount equal to one-fourth (1/4) of the sum of the guaranteed amounts for all the taxing units of the county. On or before August 1 of each year the auditor of state shall transfer to each county auditor the supplemental distribution for the county for the year.

(b) For purposes of determining distributions under subsection (c), the department of local government finance shall determine a state welfare allocation for each county calculated as follows:

(1) ~~For 2000 In each year after 2005 and each year thereafter, before 2010,~~ the state welfare allocation for each county equals the greater of zero (0) or the amount determined under the following formula:

STEP ONE: For 1997, 1998, and 1999, determine the result of:

(A) the amounts appropriated by the county in the year for the county's county welfare fund and county welfare administration fund; divided by

(B) the amounts appropriated by all the taxing units in the county in the year.

STEP TWO: Determine the sum of the results determined in STEP ONE.

STEP THREE: Divide the STEP TWO result by three (3).

STEP FOUR: Determine the amount that would otherwise be distributed to all the taxing units in the county under subsection (b) without regard to this subdivision.

STEP FIVE: Determine the result of:

(A) the STEP FOUR amount; multiplied by

(B) the STEP THREE result.

**(2) For 2010 and each year thereafter, the state welfare allocation for each county equals the greater of zero (0) or the amount determined under the following formula:**

C  
o  
p  
y





**STEP ONE: For 1997, 1998, and 1999, determine the result of:**

**(A) the amounts appropriated by the county in the year for the county's county welfare fund and county welfare administration fund; divided by**

**(B) the amounts appropriated by all the taxing units in the county in the year.**

**STEP TWO: Determine the sum of the results determined in STEP ONE.**

**STEP THREE: Divide the STEP TWO result by three (3).**

**STEP FOUR: Determine the amount that would otherwise be distributed to all the taxing units in the county under subsection (b) without regard to this subdivision.**

**STEP FIVE: Determine the result of:**

**(A) the STEP FOUR amount; multiplied by**

**(B) the STEP THREE result.**

**STEP SIX: For 2007, 2008, and 2009, determine the result of:**

**(A) the amounts appropriated by the county in the year for the county's county child welfare funds (as described in IC 6-1.1-21-2.2); divided by**

**(B) the amounts appropriated by all the taxing units in the county in the year.**

**STEP SEVEN: Determine the sum of the results determined in STEP SIX.**

**STEP EIGHT: Divide the STEP SEVEN result by three (3).**

**STEP NINE: Determine the amount that would otherwise be distributed to all the taxing units in the county under subsection (b) after the deduction of the amount determined under STEP FIVE.**

**STEP TEN: Determine the product of:**

**(A) the STEP NINE amount; multiplied by**

**(B) the STEP EIGHT result.**

**STEP ELEVEN: Add the STEP FIVE result and the STEP TEN result.**

~~(2)~~ (3) The state welfare allocation shall be deducted from the distributions otherwise payable under subsection (c) to the taxing unit that is a county and shall be deposited in a special account within the state general fund.

(c) A taxing unit's guaranteed distribution for a year is the greater of zero (0) or an amount equal to:

**C  
o  
p  
y**



(1) the amount received by the taxing unit under IC 6-5-10 (repealed) and IC 6-5-11 (repealed) in 1989; minus

(2) the amount to be received by the taxing unit in the year of the distribution, as determined by the department of local government finance, from property taxes attributable to the personal property of banks, exclusive of the property taxes attributable to personal property leased by banks as the lessor where the possession of the personal property is transferred to the lessee; minus

(3) in the case of a taxing unit that is a county, the amount that would have been received by the taxing unit in the year of the distribution, as determined by the department of local government finance from property taxes that:

(A) were:

**(i) for 2000 and each year thereafter**, calculated for the county's county welfare fund and county welfare administration fund for 2000 but were not imposed because of the repeal of IC 12-19-3 and IC 12-19-4; and

**(ii) for 2010 and each year thereafter, would have been calculated for the county's child welfare funds (as described in IC 6-1.1-21-2.2) for 2010 but are not imposed because of the termination of a county's authority to impose child welfare funds (as described in IC 6-1.1-21-2.2) after 2009; and**

(B) would have been attributable to the personal property of banks, exclusive of the property taxes attributable to personal property leased by banks as the lessor where the possession of the personal property is transferred to the lessee.

(d) The amount of the supplemental distribution for a county for a year shall be determined using the following formula:

STEP ONE: Determine the greater of zero (0) or the difference between:

(A) one-half (1/2) of the taxes that the department estimates will be paid under this article during the year; minus

(B) the sum of all the guaranteed distributions, before the subtraction of all state welfare allocations under subsection (a), for all taxing units in all counties plus the bank personal property taxes to be received by all taxing units in all counties, as determined under subsection (c)(2) for the year.

STEP TWO: Determine the quotient of:

(A) the amount received under IC 6-5-10 (repealed) and IC 6-5-11 (repealed) in 1989 by all taxing units in the county; divided by

C  
o  
p  
y



- 1 (B) the sum of the amounts received under IC 6-5-10  
 2 (repealed) and IC 6-5-11 (repealed) in 1989 by all taxing units  
 3 in all counties.
- 4 STEP THREE: Determine the product of:  
 5 (A) the amount determined in STEP ONE; multiplied by  
 6 (B) the amount determined in STEP TWO.
- 7 STEP FOUR: Determine the greater of zero (0) or the difference  
 8 between:  
 9 (A) the amount of supplemental distribution determined in  
 10 STEP THREE for the county; minus  
 11 (B) the amount of refunds granted under IC 6-5-10-7  
 12 (repealed) that have yet to be reimbursed to the state by the  
 13 county treasurer under IC 6-5-10-13 (repealed).
- 14 For the supplemental distribution made on or before August 1 of each  
 15 year, the department shall adjust the amount of each county's  
 16 supplemental distribution to reflect the actual taxes paid under this  
 17 article for the preceding year.
- 18 (e) Except as provided in subsection (g), the amount of the  
 19 supplemental distribution for each taxing unit shall be determined  
 20 using the following formula:  
 21 STEP ONE: Determine the quotient of:  
 22 (A) the amount received by the taxing unit under IC 6-5-10  
 23 (repealed) and IC 6-5-11 (repealed) in 1989; divided by  
 24 (B) the sum of the amounts used in STEP ONE (A) for all  
 25 taxing units located in the county.
- 26 STEP TWO: Determine the product of:  
 27 (A) the amount determined in STEP ONE; multiplied by  
 28 (B) the supplemental distribution for the county, as determined  
 29 in subsection (d), STEP FOUR.
- 30 (f) The county auditor shall distribute the guaranteed and  
 31 supplemental distributions received under subsection (a) to the taxing  
 32 units in the county at the same time that the county auditor makes the  
 33 semiannual distribution of real property taxes to the taxing units.
- 34 (g) The amount of a supplemental distribution paid to a taxing unit  
 35 that is a county shall be reduced by an amount equal to:  
 36 (1) the amount the county would receive under subsection (e)  
 37 without regard to this subsection; minus  
 38 (2) an amount equal to:  
 39 (A) the amount under subdivision (1); multiplied by  
 40 (B) the result of the following:  
 41 (i) Determine the amounts appropriated by the county in  
 42 1997, 1998, and 1999, from the county's county welfare fund

C  
o  
p  
y



and county welfare administration fund, divided by the total amounts appropriated by all the taxing units in the county in the year.

(ii) Divide the amount determined in item (i) by three (3).

**(iii) Determine the amounts appropriated by the county in 2007, 2008, and 2009, for the county's child welfare funds (as described in IC 6-1.1-21-2.2), divided by the total amounts appropriated by all the taxing units in the county in the year.**

**(iv) Divide the amount determined in item (iii) by three (3).**

**(v) Add the amount determined under item (ii) and the amount determined under item (iv).**

SECTION 31. IC 6-6-5-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 10. (a) The bureau shall establish procedures necessary for the collection of the tax imposed by this chapter and for the proper accounting for the same. The necessary forms and records shall be subject to approval by the state board of accounts.

(b) The county treasurer, upon receiving the excise tax collections, shall receipt such collections into a separate account for settlement thereof at the same time as property taxes are accounted for and settled in June and December of each year, with the right and duty of the treasurer and auditor to make advances prior to the time of final settlement of such property taxes in the same manner as provided in IC 5-13-6-3.

(c) The county auditor shall determine the total amount of excise taxes collected for each taxing unit in the county and the amount so collected (and the distributions received under section 9.5 of this chapter) shall be apportioned and distributed among the respective funds of each taxing unit in the same manner and at the same time as property taxes are apportioned and distributed. However, for purposes of determining distributions under this section for 2000 and each year thereafter, the state welfare allocation for each county equals the greater of zero (0) or the amount determined under STEP FIVE of the following ~~STEPS: formula and for 2010 and each year thereafter,~~ **the state welfare allocation for each county equals the greater of zero or the amount determined under STEP ELEVEN of the following formula:**

STEP ONE: For 1997, 1998, and 1999, determine the result of:

(i) the amounts appropriated by the county in the year from the county's county welfare fund and county welfare

C  
o  
p  
y



administration fund; divided by

(ii) the total amounts appropriated by all the taxing units in the county in the year.

STEP TWO: Determine the sum of the results determined in STEP ONE.

STEP THREE: Divide the STEP TWO result by three (3).

STEP FOUR: Determine the amount that would otherwise be distributed to all the taxing units in the county under this subsection without regard to this subdivision: **deducting the state welfare allocation.**

STEP FIVE: Determine the result of:

(i) the STEP FOUR amount; multiplied by

(ii) the STEP THREE result.

**STEP SIX: For 2007, 2008, and 2009, determine the result of:**

**(i) the amounts appropriated by the county in the year from the county's child welfare funds (as described in IC 6-1.1-21-2.2); divided by**

**(ii) the total amounts appropriated by all the taxing units in the county in the year.**

STEP SEVEN: Determine the sum of the results determined in STEP SIX.

STEP EIGHT: Divide the STEP SEVEN result by three (3).

STEP NINE: Determine the amount that would otherwise be distributed to all the taxing units in the county under this subsection after deducting the STEP FIVE amount.

STEP TEN: Determine the product of:

(i) the STEP NINE amount; multiplied by

(ii) the STEP SEVEN result.

STEP ELEVEN: Add the STEP FIVE result and the STEP TEN result.

The state welfare allocation shall be deducted from the total amount available for apportionment and distribution to taxing units under this section before any apportionment and distribution is made. The county auditor shall remit the state welfare allocation to the treasurer of state for deposit in a special account within the state general fund.

(d) Such determination shall be made from copies of vehicle registration forms furnished by the bureau of motor vehicles. Prior to such determination, the county assessor of each county shall, from copies of registration forms, cause information pertaining to legal residence of persons owning taxable vehicles to be verified from the assessor's records, to the extent such verification can be so made. The assessor shall further identify and verify from the assessor's records the

C  
o  
p  
y



several taxing units within which such persons reside.

(e) Such verifications shall be done by not later than thirty (30) days after receipt of vehicle registration forms by the county assessor, and the assessor shall certify such information to the county auditor for the auditor's use as soon as it is checked and completed.

SECTION 32. IC 8-22-3.5-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]:  
 Sec. 10. (a) Except in a county described in section 1(5) of this chapter and except as provided in subsection (d), if the commission adopts the provisions of this section by resolution, each taxpayer in the airport development zone is entitled to an additional credit for taxes (as defined in IC 6-1.1-21-2) that, under IC 6-1.1-22-9, are due and payable in May and November of that year **or under IC 6-1.1-22-9.5 are due in installments established by the department of local government finance for that year.** Except as provided in subsection (d), one-half (1/2) of the credit shall be applied to each installment of taxes (as defined in IC 6-1.1-21-2). This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district that contains all or part of the airport development zone:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2) through IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

- (A) that part of the county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by
- (B) the STEP ONE sum.

STEP THREE: Multiply:

- (A) the STEP TWO quotient; by
- (B) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district that would have been allocated to the special funds under section 9 of this chapter had the additional credit described in this ~~section~~ STEP not been given.

STEP FOUR: Determine the total net child welfare levy (as defined in IC 6-1.1-21-2.2) that is attributable to the taxing district.

STEP FIVE: Divide:

- (A) that part of the estimated child welfare relief replacement amount (as defined in IC 6-1.1-21-2.2) for the year as determined under IC 6-1.1-21-4 attributable to the

C  
o  
p  
y



1           taxing district; by

2           **(B) the STEP FOUR amount.**

3           **STEP SIX: Multiply:**

4           **(A) the STEP FIVE quotient; times**

5           **(B) the total amount of the taxpayer's total net child**  
 6           **welfare levy liability (as defined in IC 6-1.1-21-2.2) levied**  
 7           **in the taxing district that would have been allocated to the**  
 8           **special funds under section 9 of this chapter had the**  
 9           **additional credit described in this STEP not been given.**

10          **STEP SEVEN: Add the STEP THREE result and the STEP**  
 11          **SIX result.**

12          The additional credit reduces the amount of proceeds allocated and  
 13          paid into the special funds under section 9 of this chapter.

14          (b) The additional credit under subsection (a) shall be:

15           (1) computed on an aggregate basis of all taxpayers in a taxing  
 16           district that contains all or part of an airport development zone;  
 17           and

18           (2) combined on the tax statement sent to each taxpayer.

19          (c) Concurrently with the mailing or other delivery of the tax  
 20          statement or any corrected tax statement to each taxpayer, as required  
 21          by IC 6-1.1-22-8(a), each county treasurer shall for each tax statement  
 22          also deliver to each taxpayer in an airport development zone who is  
 23          entitled to the additional credit under subsection (a) a notice of  
 24          additional credit. The actual dollar amount of the credit, the taxpayer's  
 25          name and address, and the tax statement to which the credit applies  
 26          shall be stated on the notice.

27          (d) This subsection applies to an airport development zone only to  
 28          the extent that the net assessed value of property that is assessed as  
 29          residential property under the rules of the department of local  
 30          government finance is not included in the base assessed value. If  
 31          property tax installments with respect to a homestead (as defined in  
 32          IC 6-1.1-20.9-1) are due in installments established by the department  
 33          of local government finance under IC 6-1.1-22-9.5, each taxpayer  
 34          subject to those installments in an airport development zone is entitled  
 35          to an additional credit under subsection (a) for the taxes (as defined in  
 36          IC 6-1.1-21-2) due in installments. The credit shall be applied in the  
 37          same proportion to each installment of taxes (as defined in  
 38          IC 6-1.1-21-2).

39          SECTION 33. IC 8-22-3.5-12 IS AMENDED TO READ AS  
 40          FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]:  
 41          Sec. 12. (a) Notwithstanding any other law, a taxpayer in an airport  
 42          development zone is not entitled to a credit for property tax

**C**  
**O**  
**P**  
**Y**



replacement under IC 6-1.1-21-5 **or a child welfare relief credit under IC 6-1.1-21-5.2.**

(b) Notwithstanding subsection (a), in a county described in section 1(5) of this chapter, a taxpayer is entitled to a property tax replacement credit under IC 6-1.1-21-5 **and a child welfare relief credit under IC 6-1.1-21-5.2** for the portion of property taxes for which an inventory tax credit under section 16 of this chapter is not allowed.

(c) An amount equal to the total of all inventory tax credit available under section 16 of this chapter shall be excluded from the total county tax levy under IC 6-1.1-21-2(g).

SECTION 34. IC 12-7-2-31.7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 31.7. "Child services" means the following:**

(1) **Child welfare services specifically provided for children who are:**

(A) **adjudicated to be:**

- (i) **children in need of services; or**
- (ii) **delinquent children; or**

(B) **recipients of or are eligible for:**

- (i) **informal adjustments;**
- (ii) **service referral agreements; and**
- (iii) **adoption assistance;**

**including the costs of using an institution or facility in Indiana for providing educational services as described in either IC 20-33-2-29 (if applicable) or IC 20-26-11-13 (if applicable), all services required to be paid by a county under IC 31-40-1-2, and all costs required to be paid by a county under IC 20-26-11-12.**

(2) **Assistance awarded by a county to a destitute child under IC 12-17-1.**

(3) **Child welfare services as described in IC 12-17-3.**

SECTION 35. IC 12-7-2-32.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 32.5. "Children's psychiatric residential treatment services" means services that are:**

(1) **eligible for federal financial participation under the state Medicaid plan; and**

(2) **provided to individuals less than twenty-one (21) years of age who are:**

(A) **eligible for services under the state Medicaid plan;**

(B) **approved by the office for admission to and treatment**

**C  
o  
p  
y**





1           **in a private psychiatric residential treatment facility; and**  
 2           **(C) residing in a private psychiatric residential facility for**  
 3           **the purposes of treatment for a mental health condition,**  
 4           **based on an approved treatment plan that complies with**  
 5           **applicable federal and state Medicaid rules and**  
 6           **regulations.**

7           SECTION 36. IC 12-13-5-5, AS AMENDED BY P.L.234-2005,  
 8           SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 9           JULY 1, 2006]: Sec. 5. (a) Each county auditor shall keep records and  
 10          make reports relating to the county welfare fund (before July 1, 2001),  
 11          the family and children's fund, and other financial transactions as  
 12          required under IC 12-13 through IC 12-19 and as required by the  
 13          division or the department of child services.

14          (b) All records provided for in IC 12-13 through IC 12-19 shall be  
 15          kept, prepared, and submitted in the form required by the division or  
 16          the department of child services and the state board of accounts.

17          **(c) This section expires January 1, 2011.**

18          SECTION 37. IC 12-13-8-9 IS ADDED TO THE INDIANA CODE  
 19          AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
 20          1, 2006]: **Sec. 9. This chapter expires December 31, 2009.**

21          SECTION 38. IC 12-17-1-10 IS AMENDED TO READ AS  
 22          FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 10. (a) Upon the  
 23          completion of an investigation under section 9 of this chapter, the  
 24          county office shall do the following:

- 25           (1) Determine whether the child is eligible for assistance under
- 26           this chapter and the division's rules.
- 27           (2) Determine the amount of the assistance and the date on which
- 28           the assistance is to begin.
- 29           (3) Make an award, including any subsequent modification of the
- 30           award, with which the county office shall comply until the award
- 31           or modified award is vacated.
- 32           (4) Notify the applicant and the division of the county office's
- 33           decision in writing.

34          (b) The county office shall provide assistance to the recipient at  
 35          least monthly upon warrant of the county auditor. The assistance must  
 36          be:

- 37           (1) made from the county family and children's fund **for**
- 38           **assistance provided before January 1, 2010, and by the state**
- 39           **for assistance provided after December 31, 2009; and**
- 40           (2) based upon a verified schedule of the recipients.

41          (c) The director of the county office shall prepare and verify the  
 42          amount payable to the recipient, in relation to the awards made by the

C  
o  
p  
y



1 county office. The division shall prescribe the form upon which the  
2 schedule under subsection (b)(2) must be filed.

3 SECTION 39. IC 12-17-3-2 IS AMENDED TO READ AS  
4 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 2. (a) This section does  
5 not apply to a county department's:

6 (1) administrative expenses; or

7 (2) expenses regarding facilities, supplies, and equipment.

8 (b) Necessary expenses incurred in the administration of the child  
9 welfare services under section 1 of this chapter shall be paid **for**  
10 **expenses incurred:**

11 (1) **before January 1, 2010**, out of the county welfare fund or the  
12 county family and children's fund (whichever is appropriate); **and**

13 (2) **after December 31, 2009, by the state.**

14 SECTION 40. IC 12-19-1-16 IS AMENDED TO READ AS  
15 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 16. (a) This section  
16 does not apply to money received to reimburse the county family and  
17 children's fund for expenditures made from the **county** appropriations  
18 of the county office **or, after December 31, 2009, the state**  
19 **appropriations of the county office.**

20 (b) A county office may receive and administer money available to  
21 or for the benefit of a person receiving payments or services from the  
22 county office. The following applies to all money received under this  
23 section:

24 (1) The money shall be kept in a special fund known as the county  
25 family and children trust clearance fund and may not be  
26 commingled with any other fund or with money received from  
27 taxation.

28 (2) The money may be expended by the county office in any  
29 manner consistent with the following:

30 (A) The purpose of the county family and children trust  
31 clearance fund or with the intention of the donor of the money.

32 (B) Indiana law.

33 SECTION 41. IC 12-19-1-21 IS AMENDED TO READ AS  
34 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 21. **(a) The following**  
35 **apply**, notwithstanding any other law:

36 **(1) After December 31, 1999, a county may not impose any of the**  
37 **following:**

38 ~~(1)~~ **(A)** A property tax levy for a county welfare fund.

39 ~~(2)~~ **(B)** A property tax levy for a county welfare administration  
40 fund.

41 **(2) After December 31, 2009, a county may not impose any of**  
42 **the following:**

C  
o  
p  
y



(A) County medical assistance to wards fund (IC 12-13-8-2).

(B) Family and children's fund (IC 12-19-7-3).

(C) Children's psychiatric residential treatment services fund (IC 12-19-7.5-5).

(D) Children with special health care needs county fund (IC 16-35-3-1).

(b) A levy for a fund described in subsection (a)(2) that is necessary to repay a loan for an obligation:

(1) payable from a fund described in subsection (a)(2); and

(2) incurred by the county before January 1, 2010;

shall, after December 31, 2009, be levied from the county's debt service fund.

(c) The funds described in subsection (a)(2) are abolished on January 1, 2010. An unencumbered balance in a fund described in subsection (a)(2) on December 31, 2009, and any amount collected after December 31, 2009, for a fund described in subsection (a)(2) that relates to a:

(1) property tax levy imposed before January 1, 2010; or

(2) fee imposed for services provided before January 1, 2010;

must be transferred to the auditor of state for deposit in the state general fund not later than the later of January 31, 2010, or thirty (30) days after the money is received by the county.

(d) Expenditures for services provided after December 31, 2009, that would have been payable from a fund described in subsection (a)(2) if the funds had not been abolished shall be paid by the state after December 31, 2009.

SECTION 42. IC 12-19-1.5-3.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 3.5. As used in this chapter, "implementation date" means the following:**

(1) December 31, 1999, for pledges described in section 8(a) of this chapter.

(2) December 31, 2009, for pledges described in section 8(b) of this chapter.

SECTION 43. IC 12-19-1.5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 6. As used in this chapter, "replacement amount" means the sum of the property taxes imposed on the assessed value of property in the allocation area in excess of the base assessed value in the following:**

(1) 1999 for:

(†) (A) the county welfare fund; and

C  
O  
P  
Y



~~(2)~~ **(B)** the county welfare administration fund.

**(2) 2009 for the total child welfare levy (as defined in IC 6-1.1-21-2.2).**

SECTION 44. IC 12-19-1.5-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 8. (a) This chapter applies to an allocation area in which:

(1) the holders of obligations received a pledge before July 1, 1999, of tax increment revenues to repay any part of the obligations due after December 31, 1999; and

(2) the elimination of a county welfare fund property tax levy or a county welfare administration fund property tax levy adversely affects the ability of the governing body to repay the obligations described in subdivision (1).

**(b) This chapter also applies to an allocation area in which:**

**(1) the holders of obligations received a pledge before April 15, 2006, of tax increment revenues to repay any part of the obligations due after December 31, 2009; and**

**(2) the elimination of any part of the total child welfare levy (as defined in IC 6-1.1-21-2.2) adversely affects the ability of the governing body to repay the obligations described in subdivision (1).**

~~(b)~~ **(c)** A governing body may use one (1) or more of the procedures described in sections 9 through 11 of this chapter to provide sufficient funds to repay the obligations described in subsection (a). The amount raised each year may not exceed the replacement amount.

SECTION 45. IC 12-19-1.5-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 9. (a) A governing body may, after a public hearing, impose a special assessment on the owners of property that is located in an allocation area to repay a bond or an obligation described in section 8 of this chapter that comes due after ~~December 31, 1999~~ **the implementation date**. The amount of a special assessment for a taxpayer shall be determined by multiplying the replacement amount by a fraction, the denominator of which is the total incremental assessed value in the allocation area, and the numerator of which is the incremental assessed value of the taxpayer's property in the allocation area.

(b) Before a public hearing under subsection (a) may be held, the governing body must publish notice of the hearing under IC 5-3-1. The notice must state that the governing body will meet to consider whether a special assessment should be imposed under this chapter and whether the special assessment will help the governing body realize the redevelopment or economic development objectives for the allocation

C  
o  
p  
y



1 area or honor its obligations related to the allocation area. The notice  
 2 must also name a date when the governing body will receive and hear  
 3 remonstrances and objections from persons affected by the special  
 4 assessment. All persons affected by the hearing, including all taxpayers  
 5 within the allocation area, shall be considered notified of the pendency  
 6 of the hearing and of subsequent acts, hearings, and orders of the  
 7 governing body by the notice. At the hearing, which may be adjourned  
 8 from time to time, the governing body shall hear all persons affected by  
 9 the proceedings and shall consider all written remonstrances and  
 10 objections that have been filed. The only grounds for remonstrance or  
 11 objection are that the special assessment will not help the governing  
 12 body realize the redevelopment or economic development objectives  
 13 for the allocation area or honor its obligations related to the allocation  
 14 area. After considering the evidence presented, the governing body  
 15 shall take final action concerning the proposed special assessment. The  
 16 final action taken by the governing body shall be recorded and is final  
 17 and conclusive, except that an appeal may be taken in the manner  
 18 prescribed by subsection (c).

19 (c) A person who filed a written remonstrance with a governing  
 20 body under subsection (b) and is aggrieved by the final action taken  
 21 may, within ten (10) days after that final action, file in the office of the  
 22 clerk of the circuit or superior court a copy of the order of the  
 23 governing body and the person's remonstrance or objection against that  
 24 final action, together with a bond conditioned to pay the costs of appeal  
 25 if the appeal is determined against the person. The only ground of  
 26 remonstrance or objection that the court may hear is whether the  
 27 proposed assessment will help achieve the redevelopment or economic  
 28 development objectives for the allocation area or honor its obligations  
 29 related to the allocation area. An appeal under this subsection shall be  
 30 promptly heard by the court without a jury. All remonstrances or  
 31 objections upon which an appeal has been taken must be consolidated,  
 32 heard, and determined within thirty (30) days after the time of the filing  
 33 of the appeal. The court shall hear evidence on the remonstrances or  
 34 objections, and may confirm the final action of the governing body or  
 35 sustain the remonstrances or objections. The judgment of the court is  
 36 final and conclusive, unless an appeal is taken as in other civil actions.

37 (d) The maximum amount of a special assessment under this section  
 38 may not exceed the replacement amount.

39 (e) A special assessment shall be imposed and collected in the same  
 40 manner as ad valorem property taxes are imposed and collected.

41 SECTION 46. IC 12-19-5-1, AS AMENDED BY P.L.234-2005,  
 42 SECTION 48, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

C  
o  
p  
y



JULY 1, 2006]: Sec. 1. (a) In addition to the other method of welfare financing provided by this article, the department may conduct a public hearing to determine whether to recommend to a county to borrow money under this chapter on a short term basis to fund:

(1) child services ~~under IC 12-19-7-1~~, (as defined in IC 12-7-2-31.7);

(2) children's psychiatric residential treatment services ~~under IC 12-19-7-5~~; (as defined in IC 12-7-2-32.5); or

(3) other welfare services in the county payable from the family and children's fund or the children's psychiatric residential treatment services fund;

if the department determines that the family and children's fund or the children's psychiatric residential treatment services fund will be exhausted before the end of a fiscal year.

(b) In the ~~the~~ hearing, the department must present facts that show the following:

(1) That the amount of money in the family and children's fund or the children's psychiatric residential treatment services fund will be insufficient to fund the appropriate services within the county under this article.

(2) The amount of money that the department estimates will be needed to fund that deficit.

SECTION 47. IC 12-19-5-13 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 13. This chapter expires December 31, 2009.**

SECTION 48. IC 12-19-7-1, AS AMENDED BY P.L.1-2005, SECTION 137, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 1. As used in this chapter, "child services" means the following:

(1) Child welfare services specifically provided for children who are:

(A) adjudicated to be:

(i) children in need of services; or

(ii) delinquent children; or

(B) recipients of or are eligible for:

(i) informal adjustments;

(ii) service referral agreements; and

(iii) adoption assistance;

including the costs of using an institution or facility in Indiana for providing educational services as described in either IC 20-33-2-29 (if applicable) or IC 20-26-11-13 (if applicable); all

C  
o  
p  
y



services required to be paid by a county under IC 31-40-1-2; and  
all costs required to be paid by a county under IC 20-26-11-12.

(2) Assistance awarded by a county to a destitute child under  
IC 12-17-1.

(3) Child welfare services as described in IC 12-17-3. **has the  
meaning set forth in IC 12-7-2-31.7.**

SECTION 49. IC 12-19-7-35 IS ADDED TO THE INDIANA  
CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
[EFFECTIVE JULY 1, 2006]: **Sec. 35. This chapter expires  
December 31, 2009.**

SECTION 50. IC 12-19-7.5-1 IS AMENDED TO READ AS  
FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 1. As used in this  
chapter, "children's psychiatric residential treatment services" ~~means~~  
services that are:

(1) eligible for federal financial participation under the state  
Medicaid plan; and

(2) provided to individuals less than twenty-one (21) years of age  
who are:

(A) eligible for services under the state Medicaid plan;

(B) approved by the office for admission to and treatment in a  
private psychiatric residential treatment facility; and

(C) residing in a private psychiatric residential facility for the  
purposes of treatment for a mental health condition; based on  
an approved treatment plan that complies with applicable  
federal and state Medicaid rules and regulations. **has the  
meaning set forth in IC 12-7-2-32.5.**

SECTION 51. IC 12-19-7.5-34 IS ADDED TO THE INDIANA  
CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
[EFFECTIVE JULY 1, 2006]: **Sec. 34. This chapter expires  
December 31, 2009.**

SECTION 52. IC 16-33-4-17.5 IS AMENDED TO READ AS  
FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 17.5. (a) In the case of  
a child who is:

(1) admitted to the home from another county; and

(2) adjudicated to be a delinquent child or child in need of  
services by the juvenile court in the county where the home is  
located;

the juvenile court may order the county office of family and children  
of the child's county of residence **for services provided before  
January 1, 2010, and the department of child services for services  
provided after December 31, 2009**, before the child's admission to the  
home to reimburse the cost of services ordered by the juvenile court,

C  
o  
p  
y



including related transportation costs, and any cost incurred by the county to transport or detain the child before the order is issued.

(b) A county office of family and children ordered to reimburse costs under this section shall pay the amount ordered from the county family and children's fund.

(c) The county office of family and children may require the parent or guardian of the child, other than a parent, guardian, or custodian associated with the home, to reimburse the:

- (1) county family and children's fund for an amount paid under this section **for services provided before January 1, 2010; and**
- (2) **department of child services for services provided after December 31, 2009.**

(d) A child who is admitted to the home does not become a resident of the county where the home is located.

(e) When an unemancipated child is released from the home the county office of family and children for the child's county of residence before entering the home is responsible for transporting the child to the parent or guardian of the child. If a parent or guardian does not exist for an unemancipated child released from the home, the county office of family and children of the child's county of residence before entering the home shall obtain custody of the child.

SECTION 53. IC 16-35-3-5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 5. This chapter expires December 31, 2009.**

SECTION 54. IC 16-35-4-6 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 6. This chapter expires December 31, 2009.**

SECTION 55. IC 20-26-11-12, AS ADDED BY P.L.1-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 12. (a) If a student is transferred under section 5 of this chapter from a school corporation in Indiana to a public school corporation in another state, the transferor corporation shall pay the transferee corporation the full tuition fee charged by the transferee corporation. However, the amount of the full tuition fee may not exceed the amount charged by the transferor corporation for the same class of school, or if the school does not have the same classification, the amount may not exceed the amount charged by the geographically nearest school corporation in Indiana that has the same classification.

(b) If a child is:

- (1) placed by a court order in an out-of-state institution or other facility; and
- (2) provided all educational programs and services by a public

C  
o  
p  
y





1 school corporation in the state where the child is placed, whether  
 2 at the facility, the public school, or another location;  
 3 **for services provided before January 1, 2010**, the county office of  
 4 family and children for the county placing the child shall pay from the  
 5 county family and children's fund **and for services provided after**  
 6 **December 31, 2010, the department of child services shall pay from**  
 7 **state revenues** to the public school corporation in which the child is  
 8 enrolled the amount of transfer tuition specified in subsection (c).

9 (c) The transfer tuition for which a county office is obligated under  
 10 subsection (b) is equal to the following:

11 (1) The amount under a written agreement among the county  
 12 office, the institution or other facility, and the governing body of  
 13 the public school corporation in the other state that specifies the  
 14 amount and method of computing transfer tuition.

15 (2) The full tuition fee charged by the transferee corporation, if  
 16 subdivision (1) does not apply. However, the amount of the full  
 17 tuition fee must not exceed the amount charged by the transferor  
 18 corporation for the same class of school, or if the school does not  
 19 have the same classification, the amount must not exceed the  
 20 amount charged by the geographically nearest school corporation  
 21 in Indiana that has the same classification.

22 (d) If a child is:

23 (1) placed by a court order in an out-of-state institution or other  
 24 facility; and

25 (2) provided:

26 (A) onsite educational programs and services either through  
 27 the facility's employees or by contract with another person or  
 28 organization that is not a public school corporation; or

29 (B) educational programs and services by a nonpublic school;

30 **for services provided before January 1, 2010**, the county office of  
 31 family and children for the county placing the child shall pay from the  
 32 county family and children's fund **and for services provided after**  
 33 **December 31, 2010, the department of child services shall pay from**  
 34 **state revenues** in an amount and in the manner specified in a written  
 35 agreement between the county office and the institution or other  
 36 facility.

37 (e) An agreement described in subsection (c) or (d) is subject to the  
 38 approval of the director of the ~~division of family and children~~  
 39 **department of child services**. However, for purposes of IC 4-13-2, the  
 40 agreement shall not be treated as a contract.

41 SECTION 56. IC 20-26-11-13, AS ADDED BY P.L.1-2005,  
 42 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

C  
o  
p  
y



JULY 1, 2006]: Sec. 13. (a) As used in this section, the following terms have the following meanings:

(1) "ADM" means the following:

(A) For purposes of allocating to a transfer student state distributions under IC 21-1-30 (primetime), "ADM" as computed under IC 21-1-30-2.

(B) For all other purposes, "ADM" as set forth in IC 21-3-1.6-1.1.

(2) "Class of school" refers to a classification of each school or program in the transferee corporation by the grades or special programs taught at the school. Generally, these classifications are denominated as kindergarten, elementary school, middle school or junior high school, high school, and special schools or classes, such as schools or classes for special education, vocational training, or career education.

(3) "Special equipment" means equipment that during a school year:

(A) is used only when a child with disabilities is attending school;

(B) is not used to transport a child to or from a place where the child is attending school;

(C) is necessary for the education of each child with disabilities that uses the equipment, as determined under the individualized education program for the child; and

(D) is not used for or by any child who is not a child with disabilities.

(4) "Student enrollment" means the following:

(A) The total number of students in kindergarten through grade 12 who are enrolled in a transferee school corporation on a date determined by the state board.

(B) The total number of students enrolled in a class of school in a transferee school corporation on a date determined by the state board.

However, a kindergarten student shall be counted under clauses (A) and (B) as one-half (1/2) student. The state board may select a different date for counts under this subdivision. However, the same date shall be used for all school corporations making a count for the same class of school.

(b) Each transferee corporation is entitled to receive for each school year on account of each transferred student, except a student transferred under section 6 of this chapter, transfer tuition from the transferor corporation or the state as provided in this chapter. Transfer

C  
o  
p  
y



tuition equals the amount determined under STEP THREE of the following formula:

STEP ONE: Allocate to each transfer student the capital expenditures for any special equipment used by the transfer student and a proportionate share of the operating costs incurred by the transferee school for the class of school where the transfer student is enrolled.

STEP TWO: If the transferee school included the transfer student in the transferee school's ADM for a school year, allocate to the transfer student a proportionate share of the following general fund revenues of the transferee school for, except as provided in clause (C), the calendar year in which the school year ends:

(A) The following state distributions that are computed in any part using ADM or other student count in which the student is included:

- (i) Primetime grant under IC 21-1-30.
- (ii) Tuition support for basic programs.
- (iii) Enrollment growth grant under IC 21-3-1.7-9.5.
- (iv) At-risk grant under IC 21-3-1.7-9.7 (**repealed**).
- (v) Academic honors diploma award under IC 21-3-1.7-9.8.
- (vi) Vocational education grant under IC 21-3-12.
- (vii) Special education grant under IC 21-3-2.1.
- (viii) The portion of the ADA flat grant that is available for the payment of general operating expenses under IC 21-3-4.5-2(b)(1).

(B) Property tax levies.

(C) Excise tax revenue (as defined in IC 21-3-1.7-2) received for deposit in the calendar year in which the school year begins.

(D) Allocations to the transferee school under IC 6-3.5.

STEP THREE: Determine the greater of:

(A) zero (0); or

(B) the result of subtracting the STEP TWO amount from the STEP ONE amount.

If a child is placed in an institution or facility in Indiana under a court order, the institution or facility shall **for services provided before January 1, 2010**, charge the county office of the county of the student's legal settlement under IC 12-19-7 **and for services provided after December 31, 2009, charge the department of child services** for the use of the space within the institution or facility (commonly called capital costs) that is used to provide educational services to the child based upon a prorated per student cost.

C  
o  
p  
y



(c) Operating costs shall be determined for each class of school where a transfer student is enrolled. The operating cost for each class of school is based on the total expenditures of the transferee corporation for the class of school from its general fund expenditures as specified in the classified budget forms prescribed by the state board of accounts. This calculation excludes:

- (1) capital outlay;
- (2) debt service;
- (3) costs of transportation;
- (4) salaries of board members;
- (5) contracted service for legal expenses; and
- (6) any expenditure that is made out of the general fund from extracurricular account receipts;

for the school year.

(d) The capital cost of special equipment for a school year is equal to:

- (1) the cost of the special equipment; divided by
- (2) the product of:
  - (A) the useful life of the special equipment, as determined under the rules adopted by the state board; multiplied by
  - (B) the number of students using the special equipment during at least part of the school year.

(e) When an item of expense or cost described in subsection (c) cannot be allocated to a class of school, it shall be prorated to all classes of schools on the basis of the student enrollment of each class in the transferee corporation compared with the total student enrollment in the school corporation.

(f) Operating costs shall be allocated to a transfer student for each school year by dividing:

- (1) the transferee school corporation's operating costs for the class of school in which the transfer student is enrolled; by
- (2) the student enrollment of the class of school in which the transfer student is enrolled.

When a transferred student is enrolled in a transferee corporation for less than the full school year of student attendance, the transfer tuition shall be calculated by the part of the school year for which the transferred student is enrolled. A school year of student attendance consists of the number of days school is in session for student attendance. A student, regardless of the student's attendance, is enrolled in a transferee school unless the student is no longer entitled to be transferred because of a change of residence, the student has been excluded or expelled from school for the balance of the school year or

C  
o  
p  
y



for an indefinite period, or the student has been confirmed to have withdrawn from school. The transferor and the transferee corporation may enter into written agreements concerning the amount of transfer tuition due in any school year. If an agreement cannot be reached, the amount shall be determined by the state board, and costs may be established, when in dispute, by the state board of accounts.

(g) A transferee school shall allocate revenues described in subsection (b) STEP TWO to a transfer student by dividing:

- (1) the total amount of revenues received; by
- (2) the ADM of the transferee school for the school year that ends in the calendar year in which the revenues are received.

However, for state distributions under IC 21-1-30, IC 21-3-2.1, IC 21-3-12, or any other statute that computes the amount of a state distribution using less than the total ADM of the transferee school, the transferee school shall allocate the revenues to the transfer student by dividing the revenues that the transferee school is eligible to receive in a calendar year by the student count used to compute the state distribution.

(h) Instead of the payments provided in subsection (b), the transferor corporation or state owing transfer tuition may enter into a long term contract with the transferee corporation governing the transfer of students. The contract may:

- (1) be entered into for a period of not more than five (5) years with an option to renew;
- (2) specify a maximum number of students to be transferred; and
- (3) fix a method for determining the amount of transfer tuition and the time of payment, which may be different from that provided in section 14 of this chapter.

(i) If the school corporation can meet the requirements of IC 21-1-30-5, it may negotiate transfer tuition agreements with a neighboring school corporation that can accommodate additional students. Agreements under this section may:

- (1) be for one (1) year or longer; and
- (2) fix a method for determining the amount of transfer tuition or time of payment that is different from the method, amount, or time of payment that is provided in this section or section 14 of this chapter.

A school corporation may not transfer a student under this section without the prior approval of the child's parent.

(j) If a school corporation experiences a net financial impact with regard to transfer tuition that is negative for a particular school year as described in IC 6-1.1-19-5.1, the school corporation may appeal for an

**C  
o  
p  
y**



excessive levy as provided under IC 6-1.1-19-5.1.

SECTION 57. IC 20-26-11-17, AS ADDED BY P.L.1-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 17. (a) Each year before the date specified in the rules adopted by the state board, a school corporation shall report the information specified in subsection (b) for each student:

(1) for whom tuition support is paid by another school corporation;

(2) for whom tuition support is paid by the state; and

(3) who is enrolled in the school corporation but has the equivalent of a legal settlement in another state or country; to the county office (as defined in IC 12-7-2-45) for the county in which the principal office of the school corporation is located and to the department.

(b) Each school corporation shall provide the following information for each school year for each category of student described in subsection (a):

(1) The amount of tuition support and other support received for the students described in subsection (a).

(2) The operating expenses, as determined under section 13 of this chapter, incurred for the students described in subsection (a).

(3) Special equipment expenditures that are directly related to educating students described in subsection (a).

(4) The number of transfer students described in subsection (a).

(5) Any other information required under the rules adopted by the state board after consultation with the ~~office of the secretary of family and social~~ **department of child** services.

(c) The information required under this section shall be reported in the format and on the forms specified by the state board.

(d) Not later than November 30 of each year the department shall compile the information required from school corporations under this section and submit the compiled information in the form specified by the ~~office of the secretary of family and social~~ **department of child** services to the ~~office of the secretary of family and social~~ **department of child** services.

(e) Not later than November 30 of each year each county office shall submit the following information to the ~~office of the secretary of family and social~~ **department of child** services for each child who is described in ~~IC 12-19-7-1(1)~~ **IC 12-7-2-31.7(1)** and is placed in another state or is a student in a school outside the school corporation where the child has legal settlement:

(1) The name of the child.

C  
o  
p  
y



(2) The name of the school corporation where the child has legal settlement.

(3) The last known address of the custodial parent or guardian of the child.

(4) Any other information required by the ~~office of the secretary of family and social~~ **department of child** services.

(f) Not later than December 31 of each year, the ~~office of the secretary of family and social~~ **department of child** services shall submit a report to the members of the budget committee and the executive director of the legislative services agency that compiles and analyzes the information required from school corporations under this section. The report must identify the types of state and local funding changes that are needed to provide adequate state and local money to educate transfer students. A report submitted under this subsection to the executive director of the legislative services agency must be in an electronic format under IC 5-14-6.

SECTION 58. IC 20-33-2-29, AS ADDED BY P.L.1-2005, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 29. (a) It is unlawful for a person operating or responsible for:

(1) an educational;

(2) a correctional;

(3) a charitable; or

(4) a benevolent institution or training school;

to fail to ensure that a child under the person's authority attends school as required under this chapter. Each day of violation of this section constitutes a separate offense.

(b) If a child is placed in an institution or facility under a court order, the institution or facility shall **for services provided before January 1, 2010**, charge the county office of family and children of the county of the child's legal settlement under IC 12-19-7 **and for services provided after December 31, 2009, charge the department of child services** for the use of the space within the institution or facility (commonly called capital costs) that is used to provide educational services to the child based upon a prorated per child cost.

SECTION 59. IC 31-32-16-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 9. A parent, guardian, or custodian is required to pay court costs, court fees, and the costs of assessment and treatment. ~~Neither~~ The court, ~~nor the state, and the county is~~ **are not** liable for any part of the costs of assessment or treatment under this chapter.

SECTION 60. IC 31-33-1.5-7, AS ADDED BY P.L.234-2005,

C  
o  
p  
y



SECTION 95, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 7. The department is responsible for the following:

- (1) Providing child protection services under this article.
- (2) Providing and administering child abuse and neglect prevention services.
- (3) Providing and administering child services (as defined in ~~IC 12-19-7-1~~; **IC 12-7-2-31.7**).
- (4) Providing and administering family services (as defined in IC 31-9-2-45).
- (5) Providing family preservation services under IC 12-14-25.5.
- (6) Regulating and licensing the following under IC 12-17.4:
  - (A) Child caring institutions.
  - (B) Foster family homes.
  - (C) Group homes.
  - (D) Child placing agencies.
- (7) Administering the state's plan for the administration of Title IV-D of the federal Social Security Act (42 U.S.C. 651 et seq.).
- (8) Administering foster care services.
- (9) Administering independent living services (as described in 42 U.S.C. 677 et seq.).
- (10) Administering adoption services.

SECTION 61. IC 31-33-1.5-10, AS ADDED BY P.L.234-2005, SECTION 95, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 10. (a) The department may establish a program to procure any of the services described in section 7 of this chapter under a procurement agreement administered by the department. The department may enter into procurement agreements that cover the delivery of one (1) or more categories of services to all the counties in a region determined by the department. An agreement may provide for payment from state funds appropriated for the purpose or direct billing of services to the county receiving the service.

(b) If the department enters into a procurement agreement covering a county, the county, including the county's juvenile court, shall **for services provided before January 1, 2010**, procure all services covered by the procurement agreement in accordance with the regional procurement agreement and the policies prescribed by the department. With the approval of the department, a county may use services from an alternate provider.

(c) The costs incurred under a procurement agreement **for services provided before January 1, 2010**, shall be shared by the counties covered by the procurement agreement. The department shall allocate

C  
o  
p  
y





the costs of a regional procurement agreement **for services provided before January 1, 2010**, among the counties covered by the agreement in proportion to the use of the services by each county under the schedule prescribed by the department. A county shall pay the costs incurred under a procurement agreement **for services provided before January 1, 2010**, from the:

- (1) family and children's fund; or
- (2) children's psychiatric residential treatment services fund;

as appropriate.

(d) If the department pays the costs incurred under a procurement contract **for services provided before January 1, 2010**, from state funds appropriated for the purpose, the department shall present a claim for reimbursement to the appropriate county auditor. The county executive shall review and allow the full amount of the claim in the manner provided in IC 36-2-6.

SECTION 62. IC 31-33-4-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 3. (a) Not later than sixty (60) days after receiving the plan, the director shall certify whether the local plan fulfills the purposes and meets the requirements of this article.

(b) If the director certifies that the local plan does not fulfill the purposes and meet the requirements of this article, the director:

- (1) shall state the reasons for the decision; and
- (2) may, **for services provided before January 1, 2010**, withhold state reimbursement for any part of the county office of family and children's activities relating to this article.

SECTION 63. IC 31-34-24-8, AS AMENDED BY P.L.1-2005, SECTION 208, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 8. In preparing the plan, the team shall review and consider existing publicly and privately funded programs that are available or that could be made available in the county to provide supportive services to or for the benefit of children described in section 3 of this chapter without removing the child from the family home, including programs funded through the following:

- (1) Title IV-B of the Social Security Act (42 U.S.C. 620 et seq.).
- (2) Title IV-E of the Social Security Act (42 U.S.C. 670 et seq.).
- (3) Title XX of the Social Security Act (42 U.S.C. 1397 et seq.).
- (4) The Child Abuse Prevention and Treatment Act (42 U.S.C. 5106 et seq.).
- (5) Community corrections programs under IC 11-12.
- (6) Special education programs under IC 20-35-6-2.
- (7) All programs designed to prevent child abuse, neglect, or

C  
o  
p  
y



delinquency, or to enhance child welfare and family preservation administered by, or through funding provided by, the division of family and children, county offices, prosecutors, or juvenile courts, including programs funded under IC 12-19-7 **before January 1, 2010**, and IC 31-40.

(8) Probation user's fees under IC 31-40-2-1.

(9) Child advocacy fund under IC 12-17-17.

SECTION 64. IC 31-34-24-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 13. (a) Upon receiving the initial plan and each revised or updated plan, the county fiscal body shall consider the plan in developing the family and children's fund budget.

(b) The county fiscal body may appropriate from the family and children's fund any amounts necessary **before January 1, 2010**, to provide funding to implement the plan.

SECTION 65. IC 31-37-24-8, AS AMENDED BY P.L.1-2005, SECTION 215, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 8. In preparing the plan, the team shall review and consider existing publicly and privately funded programs that are available or that could be made available in the county to provide supportive services to or for the benefit of children described in section 3 of this chapter without removing the child from the family home, including programs funded through the following:

(1) Title IV-B of the Social Security Act (42 U.S.C. 620 et seq.).

(2) Title IV-E of the Social Security Act (42 U.S.C. 670 et seq.).

(3) Title XX of the Social Security Act (42 U.S.C. 1397 et seq.).

(4) The Child Abuse Prevention and Treatment Act (42 U.S.C. 5106 et seq.).

(5) Community corrections programs under IC 11-12.

(6) Special education programs under IC 20-35-6-2.

(7) All programs designed to prevent child abuse, neglect, or delinquency, or to enhance child welfare and family preservation administered by, or through funding provided by, the division of family and children, county offices, prosecutors, or juvenile courts, including programs funded under IC 12-19-7 **before January 1, 2010**, and IC 31-40.

(8) Probation user's fees under IC 31-40-2-1.

(9) The child advocacy fund under IC 12-17-17.

SECTION 66. IC 31-37-24-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 13. (a) Upon receiving the initial plan and each revised or updated plan, the county fiscal body shall consider the plan in developing the family and children's fund

C  
o  
p  
y



1 budget.

2 (b) The county fiscal body may appropriate from the family and  
3 children's fund any amounts necessary **before January 1, 2010**, to  
4 provide funding to implement the plan.

5 SECTION 67. IC 31-40-1-2 IS AMENDED TO READ AS  
6 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 2. (a) The county shall  
7 pay from the county family and children's fund the cost of:

8 (1) any services ordered by the juvenile court for any child or the  
9 child's parent, guardian, or custodian, other than secure detention  
10 **provided before January 1, 2010; and**

11 (2) returning a child under IC 31-37-23 **before January 1, 2010.**

12 (b) The county fiscal body shall provide sufficient money to meet  
13 the court's requirements **before January 1, 2010.**

14 (c) **The department of child services shall pay from state**  
15 **revenues the cost of:**

16 (1) **any services ordered by the juvenile court for any child or**  
17 **the child's parent, guardian, or custodian, other than secure**  
18 **detention provided after December 31, 2009; and**

19 (2) **returning a child under IC 31-37-23 after December 31,**  
20 **2009.**

21 (d) **The state shall provide sufficient money to meet the court's**  
22 **requirements after December 31, 2009.**

23 SECTION 68. IC 31-40-1-3 IS AMENDED TO READ AS  
24 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 3. (a) A parent or  
25 guardian of the estate of a child adjudicated a delinquent child or a  
26 child in need of services is financially responsible as provided in this  
27 chapter (or IC 31-6-4-18(e) before its repeal) for any services ordered  
28 by the court.

29 (b) Each parent of a child alleged to be a child in need of services  
30 or alleged to be a delinquent child shall, before a dispositional hearing,  
31 furnish the court with an accurately completed and current child  
32 support obligation worksheet on the same form that is prescribed by the  
33 Indiana supreme court for child support orders.

34 (c) At:

35 (1) a detention hearing;

36 (2) a hearing that is held after the payment of costs by a county  
37 under section 2 of this chapter (or IC 31-6-4-18(b) before its  
38 repeal);

39 (3) the dispositional hearing; or

40 (4) any other hearing to consider modification of a dispositional  
41 decree;

42 the juvenile court shall order the child's parents or the guardian of the

C  
o  
p  
y



child's estate to pay ~~for~~, or reimburse the county **or state, as appropriate**, for the cost of services provided to the child or the parent or guardian unless the court finds that the parent or guardian is unable to pay or that justice would not be served by ordering payment from the parent or guardian.

SECTION 69. IC 31-40-1-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 4. The parent or guardian of the estate of any child returned to Indiana under the interstate compact on juveniles under IC 31-37-23 shall reimburse the county **or state, as appropriate**, for all costs involved in returning the child that the court orders the parent or guardian to pay under section 3 of this chapter (or IC 31-6-4-18(e) before its repeal) whether or not the child has been adjudicated a delinquent child or a child in need of services.

SECTION 70. IC 31-40-1-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 5. (a) This section applies whenever the court orders or approves removal of a child from the home of a child's parent or guardian and placement of the child in a child caring institution (as defined in IC 12-7-2-29), a foster family home (as defined in IC 12-7-2-90), or the home of a relative of the child that is not a foster family home.

(b) If an existing support order is in effect, the court shall order the support payments to be assigned to the county office for the duration of the placement out of the home of the child's parent or guardian. The court shall notify the court that:

- (1) entered the existing support order; or
- (2) had jurisdiction, immediately before the placement, to modify or enforce the existing support order;

of the assignment and assumption of jurisdiction by the juvenile court under this section.

(c) If an existing support order is not in effect, the court shall do the following:

- (1) Include in the order for removal or placement of the child an assignment to the county office, or confirmation of an assignment that occurs or is required under applicable federal law, of any rights to support, including support for the cost of any medical care payable by the state under IC 12-15, from any parent or guardian who has a legal obligation to support the child.

- (2) Order support paid to the county office by each of the child's parents or the guardians of the child's estate to be based on child support guidelines adopted by the Indiana supreme court and for the duration of the placement of the child out of the home of the

C  
o  
p  
y



child's parent or guardian, unless:

(A) the court finds that entry of an order based on the child support guidelines would be unjust or inappropriate considering the best interests of the child and other necessary obligations of the child's family; or

(B) the county office does not make foster care maintenance payments to the custodian of the child. For purposes of this clause, "foster care maintenance payments" means any payments for the cost of (in whole or in part) and the cost of providing food, clothing, shelter, daily supervision, school supplies, a child's personal incidentals, liability insurance with respect to a child, and reasonable amounts for travel to the child's home for visitation. In the case of a child caring institution, the term also includes the reasonable costs of administration and operation of the institution as are necessary to provide the items described in this clause.

(3) If the court:

(A) does not enter a support order; or

(B) enters an order that is not based on the child support guidelines;

the court shall make findings as required by 45 CFR 302.56(g).

(d) Payments in accordance with a support order assigned under subsection (b) or entered under subsection (c) (or IC 31-6-4-18(f) before its repeal) shall be paid through the clerk of the circuit court as trustee for remittance to the county office.

(e) The Title IV-D agency shall establish, modify, or enforce a support order assigned or entered by a court under this section in accordance with IC 12-17-2 and 42 U.S.C. 654. The county office shall, if requested, assist the Title IV-D agency in performing its duties under this subsection.

(f) If the juvenile court terminates placement of a child out of the home of the child's parent or guardian, the court shall:

(1) notify the court that:

(A) entered a support order assigned to the county office under subsection (b); or

(B) had jurisdiction, immediately before the placement, to modify or enforce the existing support order;

of the termination of jurisdiction of the juvenile court with respect to the support order;

(2) terminate a support order entered under subsection (c) that requires payment of support by a custodial parent or guardian of the child, with respect to support obligations that accrue after

**C**  
**O**  
**P**  
**Y**



1 termination of the placement; or

2 (3) continue in effect, subject to modification or enforcement by  
3 a court having jurisdiction over the obligor, a support order  
4 entered under subsection (c) that requires payment of support by  
5 a noncustodial parent or guardian of the estate of the child.

6 (g) The court may at or after a hearing described in section 3 of this  
7 chapter order the child's parent or the guardian of the child's estate to  
8 reimburse the:

9 **(1) county office** for all or any portion of the expenses for services  
10 provided to or for the benefit of the child that are paid from the  
11 county family and children's fund; **and**

12 **(2) state for all or any part of the expenses for services**  
13 **provided to or for the benefit of the child that are paid from**  
14 **state revenues;**

15 during the placement of the child out of the home of the parent or  
16 guardian, in addition to amounts reimbursed through payments in  
17 accordance with a support order assigned or entered as provided in this  
18 section, subject to applicable federal law.

19 SECTION 71. IC 31-40-1-7 IS AMENDED TO READ AS  
20 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 7. (a) Amounts  
21 received as payment of support or reimbursement of the cost of  
22 services paid as provided in this chapter shall be distributed in the  
23 following manner:

24 (1) If any part of the cost of services was paid from federal funds  
25 under Title IV Part E of the Social Security Act (42 U.S.C. 671 et  
26 seq.), the amounts received shall first be applied as provided in 42  
27 U.S.C. 657 and 45 CFR 302.52.

28 (2) All amounts remaining after the distributions required by  
29 subdivision (1) shall be deposited:

30 **(A) for services provided before January 1, 2010**, in the  
31 family and children's fund (established by IC 12-19-7-3) of the  
32 county that paid the cost of the services; **and**

33 **(B) for services provided after December 31, 2009, the**  
34 **state general fund.**

35 (b) Any money deposited in a county family and children's fund  
36 under this section shall be reported to the ~~division~~, **department of**  
37 **child services**, in the form and manner prescribed by the ~~division~~, **and**  
38 **department of child services. Money deposited in the county family**  
39 **and children's fund before July 1, 2009**, shall be applied to the child  
40 services budget compiled and adopted by the county director for the  
41 next state fiscal year, in accordance with IC 12-19-7-6. **Money**  
42 **deposited in the county family and children's fund after June 30,**

C  
o  
p  
y



2009, shall be used as directed by the department of child services.

SECTION 72. IC 31-40-4-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 1. If the parent or guardian of the estate:

(1) defaults in reimbursing the county **or the state**; or

(2) fails to pay a fee authorized by this article;

the juvenile court may find the parent or guardian in contempt and enter judgment for the amount due.

SECTION 73. IC 33-38-9-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 8. (a) The Indiana judicial center shall maintain a roster of in-state facilities that have the expertise to provide child services (as defined in ~~IC 12-19-7-1~~) **IC 12-7-2-31.7**) in a residential setting to:

(1) children in need of services (as described in IC 31-34-1); or

(2) delinquent children (as described in IC 31-37-1 and IC 31-37-2).

(b) The roster under subsection (a) must include the information necessary to allow a court having juvenile jurisdiction to select an in-state placement of a child instead of placing the child in an out-of-state facility under IC 31-34 or IC 31-37. The roster must include at least the following information:

(1) Name, address, and telephone number of each facility.

(2) Owner and contact person for each facility.

(3) Description of the child services that each facility provides and any limitations that the facility imposes on acceptance of a child placed by a juvenile court.

(4) Number of children that each facility can serve on a residential basis.

(5) Number of residential openings at each facility.

(c) The Indiana judicial center shall revise the information in the roster at least monthly.

(d) The Indiana judicial center shall make the information in the roster readily available to courts with juvenile jurisdiction.

SECTION 74. IC 36-3-7-5, AS AMENDED BY P.L.131-2005, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 5. (a) Liens for taxes levied by the consolidated city are perfected when evidenced on the tax duplicate in the office of the treasurer of the county.

(b) Liens created when the city enters upon property to make improvements to bring it into compliance with a city ordinance, and liens created upon failure to pay charges assessed by the city for services shall be certified to the auditor, after the adoption of a

C  
o  
p  
y



1 resolution confirming the incurred expense by the appropriate city  
2 department, board, or other agency. In addition, the resolution must  
3 state the name of the owner as it appears on the township assessor's  
4 record and a description of the property.

5 (c) The amount of a lien shall be placed on the tax duplicate by the  
6 auditor in the nature of a delinquent tax subject to enforcement and  
7 collection as otherwise provided under IC 6-1.1-22, IC 6-1.1-24, and  
8 IC 6-1.1-25. However, the amount of the lien is not considered a tax  
9 within the meaning of IC 6-1.1-21-2(b) and shall not be included as a  
10 part of either a total county tax levy under IC 6-1.1-21-2(g) or the tax  
11 liability of a taxpayer under IC 6-1.1-21-5 for purposes of the tax credit  
12 computations under IC 6-1.1-21-4, ~~and~~ IC 6-1.1-21-5, **and**  
13 **IC 6-1.1-21-5.2.**

14 SECTION 75. IC 36-7-14-39, AS AMENDED BY P.L.216-2005,  
15 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
16 JANUARY 1, 2006 (RETROACTIVE)]: Sec. 39. (a) As used in this  
17 section:

18 "Allocation area" means that part of a redevelopment project area  
19 to which an allocation provision of a declaratory resolution adopted  
20 under section 15 of this chapter refers for purposes of distribution and  
21 allocation of property taxes.

22 "Base assessed value" means the following:

23 (1) If an allocation provision is adopted after June 30, 1995, in a  
24 declaratory resolution or an amendment to a declaratory  
25 resolution establishing an economic development area:

26 (A) the net assessed value of all the property as finally  
27 determined for the assessment date immediately preceding the  
28 effective date of the allocation provision of the declaratory  
29 resolution, as adjusted under subsection (h); plus

30 (B) to the extent that it is not included in clause (A), the net  
31 assessed value of property that is assessed as residential  
32 property under the rules of the department of local government  
33 finance, as finally determined for any assessment date after the  
34 effective date of the allocation provision.

35 (2) If an allocation provision is adopted after June 30, 1997, in a  
36 declaratory resolution or an amendment to a declaratory  
37 resolution establishing a redevelopment project area:

38 (A) the net assessed value of all the property as finally  
39 determined for the assessment date immediately preceding the  
40 effective date of the allocation provision of the declaratory  
41 resolution, as adjusted under subsection (h); plus

42 (B) to the extent that it is not included in clause (A), the net

C  
o  
p  
y





assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

(3) If:

(A) an allocation provision adopted before June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing a redevelopment project area expires after June 30, 1997; and

(B) after June 30, 1997, a new allocation provision is included in an amendment to the declaratory resolution;

the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision adopted after June 30, 1997, as adjusted under subsection (h).

(4) Except as provided in subdivision (5), for all other allocation areas, the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h).

(5) If an allocation area established in an economic development area before July 1, 1995, is expanded after June 30, 1995, the definition in subdivision (1) applies to the expanded part of the area added after June 30, 1995.

(6) If an allocation area established in a redevelopment project area before July 1, 1997, is expanded after June 30, 1997, the definition in subdivision (2) applies to the expanded part of the area added after June 30, 1997.

Except as provided in section 39.3 of this chapter, "property taxes" means taxes imposed under IC 6-1.1 on real property. However, upon approval by a resolution of the redevelopment commission adopted before June 1, 1987, "property taxes" also includes taxes imposed under IC 6-1.1 on depreciable personal property. If a redevelopment commission adopted before June 1, 1987, a resolution to include within the definition of property taxes **the** taxes imposed under IC 6-1.1 on depreciable personal property that has a useful life in excess of eight (8) years, the commission may by resolution determine the percentage of taxes imposed under IC 6-1.1 on all depreciable personal property that will be included within the definition of property taxes. However, the percentage included must not exceed twenty-five percent (25%) of the taxes imposed under IC 6-1.1 on all depreciable personal property.

(b) A declaratory resolution adopted under section 15 of this chapter

C  
o  
p  
y



on or before the allocation deadline determined under subsection (i) may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A declaratory resolution previously adopted may include an allocation provision by the amendment of that declaratory resolution on or before the allocation deadline determined under subsection (i) in accordance with the procedures required for its original adoption. A declaratory resolution or an amendment that establishes an allocation provision after June 30, 1995, must specify an expiration date for the allocation provision that may not be more than thirty (30) years after the date on which the allocation provision is established. However, if bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding. The allocation provision may apply to all or part of the redevelopment project area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made;

or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivision (1) shall be allocated to the redevelopment district and, when collected, paid into an allocation fund for that allocation area that may be used by the redevelopment district only to do one (1) or more of the following:

(A) Pay the principal of and interest on any obligations payable solely from allocated tax proceeds which are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.

**C  
o  
p  
y**



(C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 27 of this chapter.

(D) Pay the principal of and interest on bonds issued by the unit to pay for local public improvements in or serving that allocation area.

(E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.

(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 25.2 of this chapter.

(G) Reimburse the unit for expenditures made by it for local public improvements (which include buildings, parking facilities, and other items described in section 25.1(a) of this chapter) in or serving that allocation area.

(H) Reimburse the unit for rentals paid by it for a building or parking facility in or serving that allocation area under any lease entered into under IC 36-1-10.

(I) Pay all or a part of a **property tax replacement an additional** credit to taxpayers in an allocation area as determined by the redevelopment commission. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

(i) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by

(ii) the STEP ONE sum.

STEP THREE: Multiply:

(i) the STEP TWO quotient; times

(ii) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district that have been allocated during that year to an allocation fund under this section.

**STEP FOUR: Determine the total net child welfare levy (as**

C  
o  
p  
y



defined in IC 6-1.1-21-2.2) that is attributable to the taxing district.

**STEP FIVE: Divide:**

(i) that part of the estimated child welfare relief replacement amount (as defined in IC 6-1.1-21-2.2) for the year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by

(ii) the STEP FOUR amount.

**STEP SIX: Multiply:**

(i) the STEP FIVE quotient; by

(ii) the total amount of the taxpayer's total net child welfare levy liability (as defined in IC 6-1.1-21-2.2) levied in the taxing district that have been allocated during that year to an allocation fund under this section.

**STEP SEVEN: Add the STEP THREE result and the STEP SIX result.**

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under section 39.5 of this chapter in the same year.

(J) Pay expenses incurred by the redevelopment commission for local public improvements that are in the allocation area or serving the allocation area. Public improvements include buildings, parking facilities, and other items described in section 25.1(a) of this chapter.

(K) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.

The allocation fund may not be used for operating expenses of the commission.

C  
o  
p  
y



(3) Except as provided in subsection (g), before July 15 of each year the commission shall do the following:

(A) Determine the amount, if any, by which the base assessed value when multiplied by the estimated tax rate of the allocation area will exceed the amount of assessed value needed to produce the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2).

(B) Notify the county auditor of the amount, if any, of the amount of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1). The commission may not authorize an allocation of assessed value to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (2) or lessors under section 25.3 of this chapter.

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by any taxing unit after the effective date of the allocation provision of the declaratory resolution is the lesser of:

(1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(2) the base assessed value.

(d) Property tax proceeds allocable to the redevelopment district under subsection (b)(2) may, subject to subsection (b)(3), be irrevocably pledged by the redevelopment district for payment as set forth in subsection (b)(2).

(e) Notwithstanding any other law, each assessor shall, upon petition of the redevelopment commission, reassess the taxable property situated upon or in, or added to, the allocation area, effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

(1) the assessed value of the property as valued without regard to this section; or

(2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone

**C  
O  
P  
Y**



created under IC 5-28-15, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish an allocation fund for the purposes specified in subsection (b)(2) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund any amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(2) for the year. The amount sufficient for purposes specified in subsection (b)(2) for the year shall be determined based on the pro rata portion of such current property tax proceeds from the part of the enterprise zone that is within the allocation area as compared to all such current property tax proceeds derived from the allocation area. A unit that has no obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) in the fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone. The unit that creates the special zone fund shall use the fund (based on the recommendations of the urban enterprise association) for programs in job training, job enrichment, and basic skill development that are designed to benefit residents and employers in the enterprise zone or other purposes specified in subsection (b)(2), except that where reference is made in subsection (b)(2) to allocation area it shall refer for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone. Those programs shall reserve at least one-half (1/2) of their enrollment in any session for residents of the enterprise zone.

(h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the redevelopment district under this section. However, the adjustment may not include the effect of property tax abatements under IC 6-1.1-12.1, and the adjustment may not produce less property tax proceeds allocable to the redevelopment district under subsection (b)(2) than would otherwise have been received if the general reassessment had not occurred. The department

**C  
o  
p  
y**



of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

(i) The allocation deadline referred to in subsection (b) is determined in the following manner:

(1) The initial allocation deadline is December 31, 2011.

(2) Subject to subdivision (3), the initial allocation deadline and subsequent allocation deadlines are automatically extended in increments of five (5) years, so that allocation deadlines subsequent to the initial allocation deadline fall on December 31, 2016, and December 31 of each fifth year thereafter.

(3) At least one (1) year before the date of an allocation deadline determined under subdivision (2), the general assembly may enact a law that:

(A) terminates the automatic extension of allocation deadlines under subdivision (2); and

(B) specifically designates a particular date as the final allocation deadline.

SECTION 76. IC 36-7-14-39.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]:  
Sec. 39.5. (a) As used in this section, "allocation area" has the meaning set forth in section 39 of this chapter.

(b) As used in this section, "taxing district" has the meaning set forth in IC 6-1.1-1-20.

(c) Subject to subsection (e) and except as provided in subsection (h), each taxpayer in an allocation area is entitled to an additional credit for taxes (as defined in IC 6-1.1-21-2) that under IC 6-1.1-22-9 are due and payable in May and November of that year **or under IC 6-1.1-22-9.5 are due in installments established by the department of local government finance for that year.** Except as provided in subsection (h), one-half (1/2) of the credit shall be applied to each installment of taxes (as defined in IC 6-1.1-21-2). This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as

C  
o  
p  
y



determined under IC 6-1.1-21-4 that is attributable to the  
taxing district; by

(B) the STEP ONE sum.

**STEP THREE: Multiply:**

(A) the STEP TWO quotient; times

(B) the total amount of the taxpayer's taxes (as defined in  
IC 6-1.1-21-2) levied in the taxing district that would have  
been allocated to an allocation fund under section 39 of this  
chapter had the additional credit described in this ~~section~~  
**STEP** not been given.

**STEP FOUR: Determine the total net child welfare levy (as  
defined in IC 6-1.1-21-2.2) that is attributable to the taxing  
district.**

**STEP FIVE: Divide:**

(A) that part of the estimated child welfare relief  
replacement amount (as described in IC 6-1.1-21-2.2) for  
the year as determined under IC 6-1.1-21-4 that is  
attributable to the taxing district; by

(B) the STEP FOUR amount.

**STEP SIX: Multiply:**

(A) the STEP FIVE quotient; by

(B) the total amount of the taxpayer's total net child  
welfare levy liability (as defined in IC 6-1.1-21-2.2) levied  
in the taxing district that would have been allocated to an  
allocation fund under section 39 of this chapter had the  
additional credit described in this **STEP** not been given.

**STEP SEVEN: Add the STEP THREE result and the STEP  
SIX result.**

The additional credit reduces the amount of proceeds allocated to the  
redevelopment district and paid into an allocation fund under section  
39(b)(2) of this chapter.

(d) If the additional credit under subsection (c) is not reduced under  
subsection (e) or (f), the credit for property tax replacement under  
IC 6-1.1-21-5 and the additional credit under subsection (c) shall be  
computed on an aggregate basis for all taxpayers in a taxing district  
that contains all or part of an allocation area. The credit for property tax  
replacement under IC 6-1.1-21-5 and the additional credit under  
subsection (c) shall be combined on the tax statements sent to each  
taxpayer.

(e) Upon the recommendation of the redevelopment commission,  
the municipal legislative body (in the case of a redevelopment  
commission established by a municipality) or the county executive (in

C  
o  
p  
y





the case of a redevelopment commission established by a county) may, by resolution, provide that the additional credit described in subsection (c):

- (1) does not apply in a specified allocation area; or
- (2) is to be reduced by a uniform percentage for all taxpayers in a specified allocation area.

(f) Whenever the municipal legislative body or county executive determines that granting the full additional credit under subsection (c) would adversely affect the interests of the holders of bonds or other contractual obligations that are payable from allocated tax proceeds in that allocation area in a way that would create a reasonable expectation that those bonds or other contractual obligations would not be paid when due, the municipal legislative body or county executive must adopt a resolution under subsection (e) to deny the additional credit or reduce it to a level that creates a reasonable expectation that the bonds or other obligations will be paid when due. A resolution adopted under subsection (e) denies or reduces the additional credit for property taxes first due and payable in the allocation area in any year following the year in which the resolution is adopted.

(g) A resolution adopted under subsection (e) remains in effect until it is rescinded by the body that originally adopted it. However, a resolution may not be rescinded if the rescission would adversely affect the interests of the holders of bonds or other obligations that are payable from allocated tax proceeds in that allocation area in a way that would create a reasonable expectation that the principal of or interest on the bonds or other obligations would not be paid when due. If a resolution is rescinded and no other resolution is adopted, the additional credit described in subsection (c) applies to property taxes first due and payable in the allocation area in each year following the year in which the resolution is rescinded.

(h) This subsection applies to an allocation area only to the extent that the net assessed value of property that is assessed as residential property under the rules of the department of local government finance is not included in the base assessed value. If property tax installments with respect to a homestead (as defined in IC 6-1.1-20.9-1) are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an allocation area is entitled to an additional credit under subsection (c) for the taxes (as defined in IC 6-1.1-21-2) due in installments. The credit shall be applied in the same proportion to each installment of taxes (as defined in IC 6-1.1-21-2).

SECTION 77. IC 36-7-14.5-12.5, AS AMENDED BY



**C  
O  
P  
Y**

P.L.185-2005, SECTION 25, AND AS AMENDED BY P.L.190-2005, SECTION 12, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12.5. (a) This section applies only to an authority in a county having a United States government military base that is scheduled for closing or is completely or partially inactive or closed.

(b) In order to accomplish the purposes set forth in ~~section 11(b)~~ **section 11** of this chapter, an authority may create an economic development area:

(1) by following the procedures set forth in IC 36-7-14-41 for the establishment of an economic development area by a redevelopment commission; and

(2) with the same effect as if the economic development area was created by a redevelopment commission.

*However, an authority may not include in an economic development area created under this section any area that was declared a blighted redevelopment project area, an urban renewal area, or an economic development area under IC 36-7-14. The area established under this section shall be established only in the area where a United States government military base that is scheduled for closing or is completely or partially inactive or closed is or was located.*

(c) In order to accomplish the purposes set forth in ~~section 11(b)~~ **section 11** of this chapter, an authority may do the following in a manner that serves an economic development area created under this section:

(1) Acquire by purchase, exchange, gift, grant, condemnation, or lease, or any combination of methods, any personal property or interest in real property needed for the redevelopment of economic development areas located within the corporate boundaries of the unit.

(2) Hold, use, sell (by conveyance by deed, land sale contract, or other instrument), exchange, lease, rent, or otherwise dispose of property acquired for use in the redevelopment of economic development areas on the terms and conditions that the authority considers best for the unit and the unit's inhabitants.

(3) Sell, lease, or grant interests in all or part of the real property acquired for redevelopment purposes to any other department of the unit or to any other governmental agency for public ways, levees, sewerage, parks, playgrounds, schools, and other public purposes on any terms that may be agreed on.

(4) Clear real property acquired for redevelopment purposes.

(5) Repair and maintain structures acquired for redevelopment

C  
o  
p  
y



purposes.

(6) Remodel, rebuild, enlarge, or make major structural improvements on structures acquired for redevelopment purposes.

(7) Survey or examine any land to determine whether the land should be included within an economic development area to be acquired for redevelopment purposes and to determine the value of that land.

(8) Appear before any other department or agency of the unit, or before any other governmental agency in respect to any matter affecting:

(A) real property acquired or being acquired for redevelopment purposes; or

(B) any economic development area within the jurisdiction of the authority.

(9) Institute or defend in the name of the unit any civil action, but all actions against the authority must be brought in the circuit or superior court of the county where the authority is located.

(10) Use any legal or equitable remedy that is necessary or considered proper to protect and enforce the rights of and perform the duties of the authority.

(11) Exercise the power of eminent domain in the name of and within the corporate boundaries of the unit subject to the same conditions and procedures that apply to the exercise of the power of eminent domain by a redevelopment commission under IC 36-7-14.

(12) Appoint an executive director, appraisers, real estate experts, engineers, architects, surveyors, and attorneys.

(13) Appoint clerks, guards, laborers, and other employees the authority considers advisable, except that those appointments must be made in accordance with the merit system of the unit if such a system exists.

(14) Prescribe the duties and regulate the compensation of employees of the authority.

(15) Provide a pension and retirement system for employees of the authority by using the public employees' retirement fund or a retirement plan approved by the United States Department of Housing and Urban Development.

(16) Discharge and appoint successors to employees of the authority subject to subdivision (13).

(17) Rent offices for use of the department or authority, or accept the use of offices furnished by the unit.

(18) Equip the offices of the authority with the necessary

C  
o  
p  
y



furniture, furnishings, equipment, records, and supplies.

(19) Design, order, contract for, and construct, reconstruct, improve, or renovate the following:

(A) Any local public improvement or structure that is necessary for redevelopment purposes or economic development within the corporate boundaries of the unit.

(B) Any structure that enhances development or economic development.

(20) Contract for the construction, extension, or improvement of pedestrian skyways (as defined in IC 36-7-14-12.2(c)).

(21) Accept loans, grants, and other forms of financial assistance from, or contract with, the federal government, the state government, a municipal corporation, a special taxing district, a foundation, or any other source.

(22) Make and enter into all contracts and agreements necessary or incidental to the performance of the duties of the authority and the execution of the powers of the authority under this chapter.

(23) Take any action necessary to implement the purpose of the authority.

(24) Provide financial assistance, in the manner that best serves the purposes set forth in ~~section 11(b)~~ **section 11** of this chapter, including grants and loans, to enable private enterprise to develop, redevelop, and reuse military base property or otherwise enable private enterprise to provide social and economic benefits to the citizens of the unit.

(d) An authority may designate all or a portion of an economic development area created under this section as an allocation area by following the procedures set forth in IC 36-7-14-39 for the establishment of an allocation area by a redevelopment commission. The allocation provision may modify the definition of "property taxes" under IC 36-7-14-39(a) to include taxes imposed under IC 6-1.1 on the depreciable personal property located and taxable on the site of operations of designated taxpayers in accordance with the procedures applicable to a commission under IC 36-7-14-39.3. IC 36-7-14-39.3 applies to such a modification. An allocation area established by an authority under this section is a special taxing district authorized by the general assembly to enable the unit to provide special benefits to taxpayers in the allocation area by promoting economic development that is of public use and benefit. For allocation areas established for an economic development area created under this section after June 30, 1997, and to the expanded portion of an allocation area for an economic development area that was established before June 30, 1997,

C  
o  
p  
y



and that is expanded under this section after June 30, 1997, the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date, must be allocated. All of the provisions of IC 36-7-14-39, IC 36-7-14-39.1, and IC 36-7-14-39.5 apply to an allocation area created under this section, except that the authority shall be vested with the rights and duties of a commission as referenced in those sections, and except that, notwithstanding IC 36-7-14-39(b)(2), property tax proceeds paid into the allocation fund may be used by the authority only to do one (1) or more of the following:

(1) Pay the principal of and interest and redemption premium on any obligations incurred by the special taxing district or any other entity for the purpose of financing or refinancing military base reuse activities in or serving or ~~benefitting~~ *benefiting* that allocation area.

(2) Establish, augment, or restore the debt service reserve for obligations payable solely or in part from allocated tax proceeds in that allocation area or from other revenues of the authority (including lease rental revenues).

(3) Make payments on leases payable solely or in part from allocated tax proceeds in that allocation area.

(4) Reimburse any other governmental body for expenditures made by it for local public improvements or structures in or serving or ~~benefitting~~ *benefiting* that allocation area.

(5) Pay all or a portion of a ~~property tax replacement an~~ **additional** credit to taxpayers in an allocation area as determined by the authority. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

C  
o  
p  
y



(A) the STEP TWO quotient; by  
 (B) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district that have been allocated during that year to an allocation fund under this section.

**STEP FOUR: Determine the total net child welfare levy (as defined in IC 6-1.1-21-2.2) that is attributable to the taxing district.**

**STEP FIVE: Divide:**

(A) that part of the estimated child welfare relief replacement amount (as defined in IC 6-1.1-21-2.2) for the year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by

(B) the STEP FOUR amount.

**STEP SIX: Multiply:**

(A) the STEP FIVE quotient; by

(B) the total amount of the taxpayer's total net child welfare levy liability (as defined in IC 6-1.1-21-2.2) levied in the taxing district that have been allocated during that year to an allocation fund under this section.

**STEP SEVEN: Add the STEP THREE result and the STEP SIX result.**

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under IC 36-7-14-39.5 in the same year.

(6) Pay expenses incurred by the authority for local public improvements or structures that are in the allocation area or serving or benefiting the allocation area.

(7) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(A) in the allocation area; and

(B) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in clause (B). The reimbursements under this subdivision must be made within three (3) years after the date on which the investments that are the basis for the increment

C  
o  
p  
y



financing are made. The allocation fund may not be used for operating expenses of the authority.

(e) In addition to other methods of raising money for property acquisition, redevelopment, or economic development activities in or directly serving or ~~benefitting~~ **benefiting** an economic development area created by an authority under this section, and in anticipation of the taxes allocated under subsection (d), other revenues of the authority, or any combination of these sources, the authority may, by resolution, issue the bonds of the special taxing district in the name of the unit. Bonds issued under this section may be issued in any amount without limitation. The following apply if such a resolution is adopted:

(1) The authority shall certify a copy of the resolution authorizing the bonds to the municipal or county fiscal officer, who shall then prepare the bonds. The seal of the unit must be impressed on the bonds, or a facsimile of the seal must be printed on the bonds.

(2) The bonds must be executed by the appropriate officer of the unit and attested by the unit's fiscal officer.

(3) The bonds are exempt from taxation for all purposes.

(4) Bonds issued under this section may be sold at public sale in accordance with IC 5-1-11 or at a negotiated sale.

(5) The bonds are not a corporate obligation of the unit but are an indebtedness of the taxing district. The bonds and interest are payable, as set forth in the bond resolution of the authority:

(A) from the tax proceeds allocated under subsection (d);

(B) from other revenues available to the authority; or

(C) from a combination of the methods stated in clauses (A) and (B).

(6) Proceeds from the sale of bonds may be used to pay the cost of interest on the bonds for a period not to exceed five (5) years from the date of issuance.

(7) Laws relating to the filing of petitions requesting the issuance of bonds and the right of taxpayers to remonstrate against the issuance of bonds do not apply to bonds issued under this section.

(8) If a debt service reserve is created from the proceeds of bonds, the debt service reserve may be used to pay principal and interest on the bonds as provided in the bond resolution.

(9) If bonds are issued under this chapter that are payable solely or in part from revenues to the authority from a project or projects, the authority may adopt a resolution or trust indenture or enter into covenants as is customary in the issuance of revenue bonds. The resolution or trust indenture may pledge or assign the revenues from the project or projects. The resolution or trust

C  
o  
p  
y



indenture may also contain any provisions for protecting and enforcing the rights and remedies of the bond owners as may be reasonable and proper and not in violation of law, including covenants setting forth the duties of the authority. The authority may establish fees and charges for the use of any project and covenant with the owners of any bonds to set those fees and charges at a rate sufficient to protect the interest of the owners of the bonds. Any revenue bonds issued by the authority that are payable solely from revenues of the authority shall contain a statement to that effect in the form of bond.

(f) Notwithstanding section 8(a) of this chapter, an ordinance adopted under ~~section 11(b)~~ **section 11** of this chapter may provide, or be amended to provide, that the board of directors of the authority shall be composed of not fewer than three (3) nor more than ~~seven (7)~~ *eleven (11)* members, who must be residents of the unit appointed by the executive of the unit.

(g) The acquisition of real and personal property by an authority under this section is not subject to the provisions of IC 5-22, IC 36-1-10.5, IC 36-7-14-19, or any other statutes governing the purchase of property by public bodies or their agencies.

(h) An authority may negotiate for the sale, lease, or other disposition of real and personal property without complying with the provisions of IC 5-22-22, IC 36-1-11, IC 36-7-14-22, or any other statute governing the disposition of public property.

(i) Notwithstanding any other law, utility services provided within an economic development area established under this section are subject to regulation by the appropriate regulatory agencies unless the utility service is provided by a utility that provides utility service solely within the geographic boundaries of an existing or a closed military installation, in which case the utility service is not subject to regulation for purposes of rate making, regulation, service delivery, or issuance of bonds or other forms of indebtedness. However, this exemption from regulation does not apply to utility service if the service is generated, treated, or produced outside the boundaries of the existing or closed military installation.

SECTION 78. IC 36-7-15.1-26.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]:  
 Sec. 26.5. (a) As used in this section, "adverse determination" means a determination by the fiscal officer of the consolidated city that the granting of credits described in subsection (g) ~~or (h)~~ would impair any contract with or otherwise adversely affect the owners of outstanding bonds payable from the allocation area special fund.

C  
o  
p  
y





(b) As used in this section, "allocation area" has the meaning set forth in section 26 of this chapter.

(c) As used in this section, "special fund" refers to the special fund into which property taxes are paid under section 26 of this chapter.

(d) As used in this section, "taxing district" has the meaning set forth in IC 6-1.1-1-20.

(e) Except as provided in subsections (g) **and** (h), ~~(i), and (j)~~, each taxpayer in an allocation area is entitled to an additional credit for taxes (as defined in IC 6-1.1-21-2) that, under IC 6-1.1-22-9, are due and payable in May and November of that year **or under IC 6-1.1-22-9.5, are due in installments established by the department of local government finance for that year.** Except as provided in subsection ~~(j); (h)~~, one-half (1/2) of the credit shall be applied to each installment of taxes (as defined in IC 6-1.1-21-2). This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; by

(B) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district that would have been allocated to an allocation fund under section 26 of this chapter had the additional credit described in this ~~section~~ **STEP** not been given.

**STEP FOUR: Determine the total net child welfare levy (as defined in IC 6-1.1-21-2.2) that is attributable to the taxing district.**

**STEP FIVE: Divide:**

(A) that part of the estimated child welfare relief replacement amount (as defined in IC 6-1.1-21-2.2) for the year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by

(B) the STEP FOUR amount.

C  
o  
p  
y



**STEP SIX: Multiply:****(A) the STEP FIVE quotient; times****(B) the total amount of the taxpayer's total net child welfare levy liability (as defined in IC 6-1.1-21-2.2) levied in the taxing district that would have been allocated to an allocation fund under section 26 of this chapter had the additional credit described in this STEP not been given.****STEP SEVEN: Add the STEP THREE result and the STEP SIX result.**

The additional credit reduces the amount of proceeds allocated to the redevelopment district and paid into the special fund.

(f) The credit for property tax replacement under IC 6-1.1-21-5, **the child welfare relief credit under IC 6-1.1-21-5.2**, and the additional credits under subsections (e) **and** (g), ~~(h)~~, ~~and~~ ~~(i)~~, unless the credits under ~~subsections~~ **subsection** (g) ~~and~~ ~~(h)~~ are partial credits, shall be computed on an aggregate basis for all taxpayers in a taxing district that contains all or part of an allocation area. ~~Except as provided in subsections (h) and (i),~~ The credit for property tax replacement under IC 6-1.1-21-5, **the child welfare relief credit under IC 6-1.1-21-5.2**, and the additional credits under subsections (e) **and** (g) ~~(h)~~, ~~and~~ ~~(i)~~ shall be combined on the tax statements sent to each taxpayer.

(g) This subsection applies to an allocation area if allocated taxes from that area were pledged to bonds, leases, or other obligations of the commission before May 8, 1989. A credit calculated using the method provided in subsection (e) may be granted under this subsection. The credit provided under this subsection is first applicable for the allocation area for property taxes first due and payable in 1992. The following apply to the determination of the credit provided under this subsection:

(1) Before June 15 of each year, the fiscal officer of the consolidated city shall determine and certify the following:

(A) All amounts due in the following year to the owners of outstanding bonds payable from the allocation area special fund.

(B) All amounts that are:

(i) required under contracts with bond holders; and

(ii) payable from the allocation area special fund to fund accounts and reserves.

(C) An estimate of the amount of personal property taxes available to be paid into the allocation area special fund under section 26.9(c) of this chapter.

(D) An estimate of the aggregate amount of credits to be

C  
o  
p  
y



- 1 granted if full credits are granted.
- 2 (2) Before June 15 of each year, the fiscal officer of the
- 3 consolidated city shall determine if the granting of the full amount
- 4 of credits in the following year would impair any contract with or
- 5 otherwise adversely affect the owners of outstanding bonds
- 6 payable from the allocation area special fund.
- 7 (3) If the fiscal officer of the consolidated city determines under
- 8 subdivision (2) that there would not be an impairment or adverse
- 9 effect:
- 10 (A) the fiscal officer of the consolidated city shall certify the
- 11 determination; and
- 12 (B) the full credits shall be applied in the following year,
- 13 subject to the determinations and certifications made under
- 14 section 26.7(b) of this chapter.
- 15 (4) If the fiscal officer of the consolidated city makes an adverse
- 16 determination under subdivision (2), the fiscal officer of the
- 17 consolidated city shall determine whether there is an amount of
- 18 partial credits that, if granted in the following year, would not
- 19 result in the impairment or adverse effect. If the fiscal officer
- 20 determines that there is an amount of partial credits that would
- 21 not result in the impairment or adverse effect, the fiscal officer
- 22 shall do the following:
- 23 (A) Determine the amount of the partial credits.
- 24 (B) Certify that determination.
- 25 (5) If the fiscal officer of the consolidated city certifies under
- 26 subdivision (4) that partial credits may be paid, the partial credits
- 27 shall be applied pro rata among all affected taxpayers in the
- 28 following year.
- 29 (6) An affected taxpayer may appeal any of the following to the
- 30 circuit or superior court of the county in which the allocation area
- 31 is located:
- 32 (A) A determination by the fiscal officer of the consolidated
- 33 city that:
- 34 (i) credits may not be paid in the following year; or
- 35 (ii) only partial credits may be paid in the following year.
- 36 (B) A failure by the fiscal officer of the consolidated city to
- 37 make a determination by June 15 of whether full or partial
- 38 credits are payable under this subsection.
- 39 (7) An appeal of a determination must be filed not later than thirty
- 40 (30) days after the publication of the determination.
- 41 (8) An appeal of a failure by the fiscal officer of the consolidated
- 42 city to make a determination of whether the credits are payable

C  
o  
p  
y



under this subsection must be filed by July 15 of the year in which the determination should have been made.

(9) All appeals under subdivision (6) shall be decided by the court within sixty (60) days.

(h) This subsection applies to an allocation area if allocated taxes from that area were pledged to bonds, leases, or other obligations of the commission before May 8, 1989. A credit calculated using the method in subsection (e) and in subdivision (2) may be granted under this subsection. The following apply to the credit granted under this subsection:

(1) The credit is applicable to property taxes first due and payable in 1991.

(2) For purposes of this subsection, the amount of a credit for 1990 taxes payable in 1991 with respect to an affected taxpayer is equal to:

(A) the amount of the quotient determined under STEP TWO of subsection (e); multiplied by

(B) the total amount of the property taxes payable by the taxpayer that were allocated in 1991 to the allocation area special fund under section 26 of this chapter.

(3) Before June 15, 1991, the fiscal officer of the consolidated city shall determine and certify an estimate of the aggregate amount of credits for 1990 taxes payable in 1991 if the full credits are granted.

(4) The fiscal officer of the consolidated city shall determine whether the granting of the full amounts of the credits for 1990 taxes payable in 1991 against 1991 taxes payable in 1992 and the granting of credits under subsection (g) would impair any contract with or otherwise adversely affect the owners of outstanding bonds payable from the allocation area special fund for an allocation area described in subsection (g).

(5) If the fiscal officer of the consolidated city determines that there would not be an impairment or adverse effect under subdivision (4):

(A) the fiscal officer shall certify that determination; and

(B) the full credits shall be applied against 1991 taxes payable in 1992 or the amount of the credits shall be paid to the taxpayers as provided in subdivision (12); subject to the determinations and certifications made under section 26.7(b) of this chapter.

(6) If the fiscal officer of the consolidated city makes an adverse determination under subdivision (4), the fiscal officer shall

C  
o  
p  
y



determine whether there is an amount of partial credits for 1990 taxes payable in 1991 that, if granted against 1991 taxes payable in 1992 in addition to granting of the credits under subsection (g), would not result in the impairment or adverse effect:

(7) If the fiscal officer of the consolidated city determines under subdivision (6) that there is an amount of partial credits that would not result in the impairment or adverse effect, the fiscal officer shall determine the amount of partial credits and certify that determination:

(8) If the fiscal officer of the consolidated city certifies under subdivision (7) that partial credits may be paid, the partial credits shall be applied pro rata among all affected taxpayers against 1991 taxes payable in 1992:

(9) An affected taxpayer may appeal any of the following to the circuit or superior court of the county in which the allocation area is located:

(A) A determination by the fiscal officer of the consolidated city that:

(i) credits may not be paid for 1990 taxes payable in 1991; or

(ii) only partial credits may be paid for 1990 taxes payable in 1991:

(B) A failure by the fiscal officer of the consolidated city to make a determination by June 15, 1991, of whether credits are payable under this subsection:

(10) An appeal of a determination must be filed not later than thirty (30) days after the publication of the determination. Any such appeal shall be decided by the court within sixty (60) days:

(11) An appeal of a failure by the fiscal officer of the consolidated city to make a determination of whether credits are payable under this subsection must be filed by July 15, 1991. Any such appeal shall be decided by the court within sixty (60) days:

(12) If 1991 taxes payable in 1992 with respect to a parcel are billed to the same taxpayer to which 1990 taxes payable in 1991 were billed, the county treasurer shall apply to the tax bill for 1991 taxes payable in 1992 both the credit provided under subsection (g) and the credit provided under this subsection, along with any credit determined to be applicable to the tax bill under subsection (i). In the alternative, at the election of the county auditor, the county may pay to the taxpayer the amount of the credit by May 10, 1992, and the amount shall be charged to the taxing units in which the allocation area is located in the

C  
o  
p  
y



proportion of the taxing units' respective tax rates for 1990 taxes payable in 1991.

(13) If 1991 taxes payable in 1992 with respect to a parcel are billed to a taxpayer other than the taxpayer to which 1990 taxes payable in 1991 were billed; the county treasurer shall do the following:

(A) Apply only the credits under subsections (g) and (i) to the tax bill for 1991 taxes payable in 1992.

(B) Give notice by June 30, 1991, by publication two (2) times in three (3) newspapers in the county with the largest circulation of the availability of a refund of the credit under this subsection.

A taxpayer entitled to a credit must file an application for refund of the credit with the county auditor not later than November 30, 1991.

(14) A taxpayer who files an application by November 30, 1991, is entitled to payment from the county treasurer in an amount that is in the same proportion to the credit provided under this subsection with respect to a parcel as the amount of 1990 taxes payable in 1991 paid by the taxpayer with respect to the parcel bears to the 1990 taxes payable in 1991 with respect to the parcel. This amount shall be paid to the taxpayer by May 10, 1992, and shall be charged to the taxing units in which the allocation area is located in the proportion of the taxing units' respective tax rates for 1990 taxes payable in 1991.

(i) This subsection applies to an allocation area if allocated taxes from that area were pledged to bonds, leases, or other obligations of the commission before May 8, 1989. The following apply to the credit granted under this subsection:

(1) A prior year credit is applicable to property taxes first due and payable in each year from 1987 through 1990 (the "prior years").

(2) The credit for each prior year is equal to:

(A) the amount of the quotient determined under STEP TWO of subsection (e) for the prior year; multiplied by

(B) the total amount of the property taxes paid by the taxpayer that were allocated in the prior year to the allocation area special fund under section 26 of this chapter.

(3) Before January 31, 1992, the county auditor shall determine the amount of credits under subdivision (2) with respect to each parcel in the allocation area for all prior years with respect to which:

(A) taxes were billed to the same taxpayer for taxes payable in

C  
o  
p  
y



each year from 1987 through 1991; or

(B) an application was filed by November 30, 1991, under subdivision (8) for refund of the credits for prior years:

A report of the determination by parcel shall be sent by the county auditor to the department of local government finance and the budget agency within five (5) days of such determination:

(4) Before January 31, 1992, the county auditor shall determine the quotient of the amounts determined under subdivision (3) with respect to each parcel divided by six (6):

(5) Before January 31, 1992, the county auditor shall determine the quotient of the aggregate amounts determined under subdivision (3) with respect to all parcels divided by twelve (12):

(6) Except as provided in subdivisions (7) and (9), in each year in which credits from prior years remain unpaid, credits for the prior years in the amounts determined under subdivision (4) shall be applied as provided in this subsection:

(7) If taxes payable in the current year with respect to a parcel are billed to the same taxpayer to which taxes payable in all of the prior years were billed and if the amount determined under subdivision (3) with respect to the parcel is at least five hundred dollars (\$500), the county treasurer shall apply the credits provided for the current year under subsections (g) and (h) and the credit in the amount determined under subdivision (4) to the tax bill for taxes payable in the current year. However, if the amount determined under subdivision (3) with respect to the parcel is less than five hundred dollars (\$500) (referred to in this subdivision as "small claims"); the county may, at the election of the county auditor, either apply a credit in the amount determined under subdivision (3) or (4) to the tax bill for taxes payable in the current year or pay either amount to the taxpayer. If title to a parcel transfers in a year in which a credit under this subsection is applied to the tax bill, the transferor may file an application with the county auditor within thirty (30) days of the date of the transfer of title to the parcel for payments to the transferor at the same times and in the same amounts that would have been allowed as credits to the transferor under this subsection if there had not been a transfer. If a determination is made by the county auditor to refund or credit small claims in the amounts determined under subdivision (3) in 1992, the county auditor may make appropriate adjustments to the credits applied with respect to other parcels so that the total refunds and credits in any year will not exceed the payments made from the state property tax

C  
o  
p  
y



1 replacement fund to the prior year credit fund referred to in  
2 subdivision (11) in that year.

3 (8) If taxes payable in the current year with respect to a parcel are  
4 billed to a taxpayer that is not a taxpayer to which taxes payable  
5 in all of the prior years were billed; the county treasurer shall do  
6 the following:

7 (A) Apply only the credits under subsections (g) and (h) to the  
8 tax bill for taxes payable in the current year.

9 (B) Give notice by June 30, 1991, by publication two (2) times  
10 in three (3) newspapers in the county with the largest  
11 circulation of the availability of a refund of the credit.

12 A taxpayer entitled to the credit must file an application for  
13 refund of the credit with the county auditor not later than  
14 November 30, 1991. A refund shall be paid to an eligible  
15 applicant by May 10, 1992.

16 (9) A taxpayer who filed an application by November 30, 1991,  
17 is entitled to payment from the county treasurer under subdivision  
18 (8) in an amount that is in the same proportion to the credit  
19 determined under subdivision (3) with respect to a parcel as the  
20 amount of taxes payable in the prior years paid by the taxpayer  
21 with respect to the parcel bears to the taxes payable in the prior  
22 years with respect to the parcel.

23 (10) In each year on May 1 and November 1, the state shall pay  
24 to the county treasurer from the state property tax replacement  
25 fund the amount determined under subdivision (5):

26 (11) All payments received from the state under subdivision (10)  
27 shall be deposited into a special fund to be known as the prior  
28 year credit fund. The prior year credit fund shall be used to make:

29 (A) payments under subdivisions (7) and (9); and

30 (B) deposits into the special fund for the application of prior  
31 year credits:

32 (12) All amounts paid into the special fund for the allocation area  
33 under subdivision (11) are subject to any pledge of allocated  
34 property tax proceeds made by the redevelopment district under  
35 section 26(d) of this chapter; including but not limited to any  
36 pledge made to owners of outstanding bonds of the  
37 redevelopment district of allocated taxes from that area.

38 (13) By January 15, 1993, and by January 15 of each year  
39 thereafter, the county auditor shall send to the department of local  
40 government finance and the budget agency a report of the  
41 receipts, earnings, and disbursements of the prior year credit fund  
42 for the prior calendar year. If in the final year that credits under

C  
o  
p  
y





subsection (i) are allowed any balance remains in the prior year credit fund after the payment of all credits payable under this subsection; such balance shall be repaid to the treasurer of state for deposit in the property tax replacement fund:

(14) In each year, the county shall limit the total of all refunds and credits provided for in this subsection to the total amount paid in that year from the property tax replacement fund into the prior year credit fund and any balance remaining from the preceding year in the prior year credit fund:

(j) (h) This subsection applies to an allocation area only to the extent that the net assessed value of property that is assessed as residential property under the rules of the department of local government finance is not included in the base assessed value. If property tax installments with respect to a homestead (as defined in IC 6-1.1-20.9-1) are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an allocation area is entitled to an additional credit under subsection (e) for the taxes (as defined in IC 6-1.1-21-2) due in installments. The credit shall be applied in the same proportion to each installment of taxes (as defined in IC 6-1.1-21-2).

SECTION 79. IC 36-7-15.1-56 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]:  
Sec. 56. (a) As used in this section, "allocation area" has the meaning set forth in section 53 of this chapter.

(b) As used in this section, "taxing district" has the meaning set forth in IC 6-1.1-1-20.

(c) Subject to subsection (e) and except as provided in subsection (h), each taxpayer in an allocation area is entitled to an additional credit for taxes (as defined in IC 6-1.1-21-2) that under IC 6-1.1-22-9 are due and payable in May and November of that year **or under IC 6-1.1-22-9.5 are due in installments established by the department of local government finance for that year.** Except as provided in subsection (h), one-half (1/2) of the credit shall be applied to each installment of taxes (as defined in IC 6-1.1-21-2). This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

C  
o  
p  
y



1 STEP TWO: Divide:

2 (A) that part of each county's eligible property tax replacement  
3 amount (as defined in IC 6-1.1-21-2) for that year as  
4 determined under IC 6-1.1-21-4 that is attributable to the  
5 taxing district; by

6 (B) the STEP ONE sum.

7 STEP THREE: Multiply:

8 (A) the STEP TWO quotient; times

9 (B) the total amount of the taxpayer's taxes (as defined in  
10 IC 6-1.1-21-2) levied in the taxing district that would have  
11 been allocated to an allocation fund under section 53 of this  
12 chapter had the additional credit described in this ~~section~~  
13 **STEP** not been given.

14 **STEP FOUR: Determine the total net child welfare levy (as**  
15 **defined in IC 6-1.1-21-2.2) that is attributable to the taxing**  
16 **district.**

17 **STEP FIVE: Divide:**

18 (A) **that part of the estimated child welfare relief**  
19 **replacement amount (as defined in IC 6-1.1-21-2.2) for the**  
20 **year as determined under IC 6-1.1-21-4 that is attributable**  
21 **to the taxing district; by**

22 (B) **the STEP FOUR amount.**

23 **STEP SIX: Multiply:**

24 (A) **the STEP FIVE quotient; by**

25 (B) **the total amount of the taxpayer's total net child**  
26 **welfare levy liability (as defined in IC 6-1.1-21-2.2) levied**  
27 **in the taxing district that would have been allocated to an**  
28 **allocation fund under section 53 of this chapter had the**  
29 **additional credit described in this STEP not been given.**

30 **STEP SEVEN: Add the STEP THREE result and the STEP**  
31 **SIX result.**

32 The additional credit reduces the amount of proceeds allocated to the  
33 development district and paid into an allocation fund under section  
34 53(b)(2) of this chapter.

35 (d) If the additional credit under subsection (c) is not reduced under  
36 subsection (e) or (f), the credit for property tax replacement under  
37 IC 6-1.1-21-5, **the child welfare relief credit under IC 6-1.1-21-5.2,**  
38 and the additional credit under subsection (c) shall be computed on an  
39 aggregate basis for all taxpayers in a taxing district that contains all or  
40 part of an allocation area. The credit for property tax replacement under  
41 IC 6-1.1-21-5, **the child welfare relief credit under IC 6-1.1-21-5.2,**  
42 and the additional credit under subsection (c) shall be combined on the

C  
o  
p  
y



1 tax statements sent to each taxpayer.

2 (e) Upon the recommendation of the commission, the excluded city  
3 legislative body may, by resolution, provide that the additional credit  
4 described in subsection (c):

5 (1) does not apply in a specified allocation area; or

6 (2) is to be reduced by a uniform percentage for all taxpayers in  
7 a specified allocation area.

8 (f) Whenever the excluded city legislative body determines that  
9 granting the full additional credit under subsection (c) would adversely  
10 affect the interests of the holders of bonds or other contractual  
11 obligations that are payable from allocated tax proceeds in that  
12 allocation area in a way that would create a reasonable expectation that  
13 those bonds or other contractual obligations would not be paid when  
14 due, the excluded city legislative body must adopt a resolution under  
15 subsection (e) to deny the additional credit or reduce it to a level that  
16 creates a reasonable expectation that the bonds or other obligations will  
17 be paid when due. A resolution adopted under subsection (e) denies or  
18 reduces the additional credit for property taxes first due and payable in  
19 the allocation area in any year following the year in which the  
20 resolution is adopted.

21 (g) A resolution adopted under subsection (e) remains in effect until  
22 it is rescinded by the body that originally adopted it. However, a  
23 resolution may not be rescinded if the rescission would adversely affect  
24 the interests of the holders of bonds or other obligations that are  
25 payable from allocated tax proceeds in that allocation area in a way that  
26 would create a reasonable expectation that the principal of or interest  
27 on the bonds or other obligations would not be paid when due. If a  
28 resolution is rescinded and no other resolution is adopted, the  
29 additional credit described in subsection (c) applies to property taxes  
30 first due and payable in the allocation area in each year following the  
31 year in which the resolution is rescinded.

32 (h) This subsection applies to an allocation area only to the extent  
33 that the net assessed value of property that is assessed as residential  
34 property under the rules of the department of local government finance  
35 is not included in the base assessed value. If property tax installments  
36 with respect to a homestead (as defined in IC 6-1.1-20.9-1) are due in  
37 installments established by the department of local government finance  
38 under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an  
39 allocation area is entitled to an additional credit under subsection (c)  
40 for the taxes (as defined in IC 6-1.1-21-2) due in installments. The  
41 credit shall be applied in the same proportion to each installment of  
42 taxes (as defined in IC 6-1.1-21-2).

**c  
o  
p  
y**



1 SECTION 80. IC 36-7-30-25, AS AMENDED BY P.L.4-2005,  
 2 SECTION 141, IS AMENDED TO READ AS FOLLOWS  
 3 [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]; Sec. 25. (a) The  
 4 following definitions apply throughout this section:

5 (1) "Allocation area" means that part of a military base reuse area  
 6 to which an allocation provision of a declaratory resolution  
 7 adopted under section 10 of this chapter refers for purposes of  
 8 distribution and allocation of property taxes.

9 (2) "Base assessed value" means:

10 (A) the net assessed value of all the property as finally  
 11 determined for the assessment date immediately preceding the  
 12 adoption date of the allocation provision of the declaratory  
 13 resolution, as adjusted under subsection (h); plus

14 (B) to the extent that it is not included in clause (A) or (C), the  
 15 net assessed value of any and all parcels or classes of parcels  
 16 identified as part of the base assessed value in the declaratory  
 17 resolution or an amendment thereto, as finally determined for  
 18 any subsequent assessment date; plus

19 (C) to the extent that it is not included in clause (A) or (B), the  
 20 net assessed value of property that is assessed as residential  
 21 property under the rules of the department of local government  
 22 finance, as finally determined for any assessment date after the  
 23 effective date of the allocation provision.

24 Clause (C) applies only to allocation areas established in a  
 25 military reuse area after June 30, 1997, and to the part of an  
 26 allocation area that was established before June 30, 1997, and that  
 27 is added to an existing allocation area after June 30, 1997.

28 (3) "Property taxes" means taxes imposed under IC 6-1.1 on real  
 29 property.

30 (b) A declaratory resolution adopted under section 10 of this chapter  
 31 before the date set forth in IC 36-7-14-39(b) pertaining to declaratory  
 32 resolutions adopted under IC 36-7-14-15 may include a provision with  
 33 respect to the allocation and distribution of property taxes for the  
 34 purposes and in the manner provided in this section. A declaratory  
 35 resolution previously adopted may include an allocation provision by  
 36 the amendment of that declaratory resolution in accordance with the  
 37 procedures set forth in section 13 of this chapter. The allocation  
 38 provision may apply to all or part of the military base reuse area. The  
 39 allocation provision must require that any property taxes subsequently  
 40 levied by or for the benefit of any public body entitled to a distribution  
 41 of property taxes on taxable property in the allocation area be allocated  
 42 and distributed as follows:

C  
o  
p  
y



(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value; shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivision (1) shall be allocated to the military base reuse district and, when collected, paid into an allocation fund for that allocation area that may be used by the military base reuse district and only to do one (1) or more of the following:

(A) Pay the principal of and interest and redemption premium on any obligations incurred by the military base reuse district or any other entity for the purpose of financing or refinancing military base reuse activities in or directly serving or benefiting that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area or from other revenues of the reuse authority, including lease rental revenues.

(C) Make payments on leases payable solely or in part from allocated tax proceeds in that allocation area.

(D) Reimburse any other governmental body for expenditures made for local public improvements (or structures) in or directly serving or benefiting that allocation area.

(E) Pay all or a part of a property tax replacement credit **and child welfare relief credit** to taxpayers in an allocation area as determined by the reuse authority. ~~This~~ **The total** credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

(i) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4 that is attributable

C  
o  
p  
y



to the taxing district; by

(ii) the STEP ONE sum.

STEP THREE: Multiply:

(i) the STEP TWO quotient; times

(ii) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district that have been allocated during that year to an allocation fund under this section.

**STEP FOUR: Determine the total net child welfare levy (as defined in IC 6-1.1-21-2.2) that is attributable to the taxing district.**

**STEP FIVE: Divide:**

(i) that part of the estimated child welfare relief replacement amount (as defined in IC 6-1.1-21-2.2) for the year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by

(ii) the STEP FOUR amount.

**STEP SIX: Multiply:**

(i) the STEP FIVE quotient; by

(ii) the total amount of the taxpayer's total net child welfare levy liability (as defined in IC 6-1.1-21-2.2) levied in the taxing district that has been allocated during that year to an allocation fund under this section.

**STEP SEVEN: Add the STEP THREE result and the STEP SIX result.**

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under section 27 of this chapter in the same year.

(F) Pay expenses incurred by the reuse authority for local public improvements or structures that were in the allocation area or directly serving or benefiting the allocation area.

(G) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the

C  
o  
p  
y



allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made not more than three (3) years after the date on which the investments that are the basis for the increment financing are made.

The allocation fund may not be used for operating expenses of the reuse authority.

(3) Except as provided in subsection (g), before July 15 of each year the reuse authority shall do the following:

(A) Determine the amount, if any, by which property taxes payable to the allocation fund in the following year will exceed the amount of property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2).

(B) Notify the county auditor of the amount, if any, of the amount of excess property taxes that the reuse authority has determined may be paid to the respective taxing units in the manner prescribed in subdivision (1). The reuse authority may not authorize a payment to the respective taxing units under this subdivision if to do so would endanger the interest of the holders of bonds described in subdivision (2) or lessors under section 19 of this chapter. Property taxes received by a taxing unit under this subdivision are eligible for the property tax replacement credit provided under ~~IC 6-1.1-21~~ **IC 6-1.1-21-5 and the child welfare relief credit under IC 6-1.1-21-5.2.**

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by a taxing unit after the effective date of the allocation provision of the declaratory resolution is the lesser of:

- (1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or
- (2) the base assessed value.

(d) Property tax proceeds allocable to the military base reuse district under subsection (b)(2) may, subject to subsection (b)(3), be irrevocably pledged by the military base reuse district for payment as set forth in subsection (b)(2).

(e) Notwithstanding any other law, each assessor shall, upon petition of the reuse authority, reassess the taxable property situated upon or in or added to the allocation area, effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable

C  
O  
P  
Y



property in the allocation area, for purposes of tax limitation, property tax replacement, and the making of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

- (1) the assessed value of the property as valued without regard to this section; or
- (2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish an allocation fund for the purposes specified in subsection (b)(2) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund any amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(2) for the year. The amount sufficient for purposes specified in subsection (b)(2) for the year shall be determined based on the pro rata part of such current property tax proceeds from the part of the enterprise zone that is within the allocation area as compared to all such current property tax proceeds derived from the allocation area. A unit that does not have obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) that are derived from property in the enterprise zone in the fund. The unit that creates the special zone fund shall use the fund (based on the recommendations of the urban enterprise association) for programs in job training, job enrichment, and basic skill development that are designed to benefit residents and employers in the enterprise zone or other purposes specified in subsection (b)(2), except that where reference is made in subsection (b)(2) to allocation area it shall refer for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone. The programs shall reserve at least one-half (1/2) of their enrollment in any session for residents of the enterprise zone.

(h) After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the military base reuse district under this section. However, the adjustment may not include the effect

**c  
o  
p  
y**





of property tax abatements under IC 6-1.1-12.1, and the adjustment may not produce less property tax proceeds allocable to the military base reuse district under subsection (b)(2) than would otherwise have been received if the general reassessment had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

SECTION 81. IC 36-7-30-27 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]:  
Sec. 27. (a) As used in this section, "allocation area" has the meaning set forth in section 25 of this chapter.

(b) As used in this section, "taxing district" has the meaning set forth in IC 6-1.1-1-20.

(c) Subject to subsection (e) and except as provided in subsection (h), each taxpayer in an allocation area is entitled to an additional credit for taxes (as defined in IC 6-1.1-21-2) that under IC 6-1.1-22-9 are due and payable in May and November of that year **or under IC 6-1.1-22-9.5 are due in installments established by the department of local government finance for that year.** Except as provided in subsection (h), one-half (1/2) of the credit shall be applied to each installment of taxes (as defined in IC 6-1.1-21-2). This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; **times by**

(B) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district that would have been allocated to an allocation fund under section 25 of this chapter had the additional credit described in this **section** STEP not been given.

**STEP FOUR: Determine the total net child welfare levy (as defined in IC 6-1.1-21-2.2) that is attributable to the taxing**

C  
o  
p  
y



district.

**STEP FIVE: Divide:**

(A) that part of the estimated child welfare relief replacement amount (as defined in IC 6-1.1-21-2.2) for the year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by

(B) the STEP FOUR amount.

**STEP SIX: Multiply:**

(A) the STEP FIVE quotient; by

(B) the total amount of the taxpayer's total net child welfare levy liability (as defined in IC 6-1.1-21-2.2) levied in the taxing district that would have been allocated to an allocation fund under section 25 of this chapter had the additional credit described in this STEP not been given.

**STEP SEVEN: Add the STEP THREE result and the STEP SIX result.**

The additional credit reduces the amount of proceeds allocated to the military base reuse district and paid into an allocation fund under section 25(b)(2) of this chapter.

(d) If the additional credit under subsection (c) is not reduced under subsection (e) or (f), the credit for property tax replacement under IC 6-1.1-21-5, **the child welfare relief credit under IC 6-1.1-21-5.2**, and the additional credit under subsection (c) shall be computed on an aggregate basis for all taxpayers in a taxing district that contains all or part of an allocation area. The credit for property tax replacement under IC 6-1.1-21-5, **the child welfare relief credit under IC 6-1.1-21-5.2**, and the additional credit under subsection (c) shall be combined on the tax statements sent to each taxpayer.

(e) Upon the recommendation of the reuse authority, the municipal legislative body (in the case of a reuse authority established by a municipality) or the county executive (in the case of a reuse authority established by a county) may by resolution provide that the additional credit described in subsection (c):

(1) does not apply in a specified allocation area; or

(2) is to be reduced by a uniform percentage for all taxpayers in a specified allocation area.

(f) If the municipal legislative body or county executive determines that granting the full additional credit under subsection (c) would adversely affect the interests of the holders of bonds or other contractual obligations that are payable from allocated tax proceeds in that allocation area in a way that would create a reasonable expectation that those bonds or other contractual obligations would not be paid

C  
o  
p  
y



when due, the municipal legislative body or county executive must adopt a resolution under subsection (e) to deny the additional credit or reduce the credit to a level that creates a reasonable expectation that the bonds or other obligations will be paid when due. A resolution adopted under subsection (e) denies or reduces the additional credit for property taxes first due and payable in the allocation area in any year following the year in which the resolution is adopted.

(g) A resolution adopted under subsection (e) remains in effect until rescinded by the body that originally adopted the resolution. However, a resolution may not be rescinded if the rescission would adversely affect the interests of the holders of bonds or other obligations that are payable from allocated tax proceeds in that allocation area in a way that would create a reasonable expectation that the principal of or interest on the bonds or other obligations would not be paid when due. If a resolution is rescinded and no other resolution is adopted, the additional credit described in subsection (c) applies to property taxes first due and payable in the allocation area in each year following the year in which the resolution is rescinded.

(h) This subsection applies to an allocation area only to the extent that the net assessed value of property that is assessed as residential property under the rules of the department of local government finance is not included in the base assessed value. If property tax installments with respect to a homestead (as defined in IC 6-1.1-20.9-1) are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an allocation area is entitled to an additional credit under subsection (c) for the taxes (as defined in IC 6-1.1-21-2) due in installments. The credit shall be applied in the same proportion to each installment of taxes (as defined in IC 6-1.1-21-2).

SECTION 82. IC 36-7-30.5-30, AS ADDED BY P.L.203-2005, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 30. (a) The following definitions apply throughout this section:

(1) "Allocation area" means that part of a military base development area to which an allocation provision of a declaratory resolution adopted under section 16 of this chapter refers for purposes of distribution and allocation of property taxes.

(2) "Base assessed value" means:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the adoption date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

C  
o  
p  
y



(B) to the extent that it is not included in clause (A) or (C), the net assessed value of any and all parcels or classes of parcels identified as part of the base assessed value in the declaratory resolution or an amendment to the declaratory resolution, as finally determined for any subsequent assessment date; plus (C) to the extent that it is not included in clause (A) or (B), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

(3) "Property taxes" means taxes imposed under IC 6-1.1 on real property.

(b) A declaratory resolution adopted under section 16 of this chapter before the date set forth in IC 36-7-14-39(b) pertaining to declaratory resolutions adopted under IC 36-7-14-15 may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A declaratory resolution previously adopted may include an allocation provision by the amendment of that declaratory resolution in accordance with the procedures set forth in section 18 of this chapter. The allocation provision may apply to all or part of the military base development area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivision (1) shall be allocated to the development authority and, when collected, paid into an allocation fund for that allocation area that may be used by the development authority and only to do one (1) or more of the following:

(A) Pay the principal of and interest and redemption premium on any obligations incurred by the development authority or any other entity for the purpose of financing or refinancing

**C**  
**O**  
**P**  
**Y**



1 military base development or reuse activities in or directly  
2 serving or benefitting that allocation area.

3 (B) Establish, augment, or restore the debt service reserve for  
4 bonds payable solely or in part from allocated tax proceeds in  
5 that allocation area or from other revenues of the development  
6 authority, including lease rental revenues.

7 (C) Make payments on leases payable solely or in part from  
8 allocated tax proceeds in that allocation area.

9 (D) Reimburse any other governmental body for expenditures  
10 made for local public improvements (or structures) in or  
11 directly serving or benefitting that allocation area.

12 (E) Pay all or a part of a property tax replacement credit **and**  
13 **child welfare relief credit** to taxpayers in an allocation area  
14 as determined by the development authority. ~~This~~ **The total**  
15 credit **amount** equals the amount determined under the  
16 following STEPS for each taxpayer in a taxing district (as  
17 defined in IC 6-1.1-1-20) that contains all or part of the  
18 allocation area:

19 STEP ONE: Determine that part of the sum of the amounts  
20 under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2),  
21 IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and  
22 IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

23 STEP TWO: Divide:

- 24 (i) that part of each county's eligible property tax  
25 replacement amount (as defined in IC 6-1.1-21-2) for that  
26 year as determined under IC 6-1.1-21-4 that is attributable  
27 to the taxing district; by
- 28 (ii) the STEP ONE sum.

29 STEP THREE: Multiply:

- 30 (i) the STEP TWO quotient; by
- 31 (ii) the total amount of the taxpayer's taxes (as defined in  
32 IC 6-1.1-21-2) levied in the taxing district that have been  
33 allocated during that year to an allocation fund under this  
34 section.

35 **STEP FOUR: Determine the total net child welfare levy (as**  
36 **defined in IC 6-1.1-21-2.2) that is attributable to the taxing**  
37 **district.**

38 **STEP FIVE: Divide:**

- 39 (i) that part of the estimated child welfare relief  
40 replacement amount (as defined in IC 6-1.1-21-2.2) for  
41 the year as determined under IC 6-1.1-21-4 that is  
42 attributable to the taxing district; by

C  
o  
p  
y



(ii) the STEP FOUR amount.

**STEP SIX: Multiply:**

(i) the STEP FIVE quotient; by

(ii) the total amount of the taxpayer's total child welfare levy liability (as defined in IC 6-1.1-21-2.2) levied in the taxing district that have been allocated during that year to an allocation fund under this section.

**STEP SEVEN: Add the STEP THREE result and the STEP SIX result.**

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under section 32 of this chapter in the same year.

(F) Pay expenses incurred by the development authority for local public improvements or structures that were in the allocation area or directly serving or benefitting the allocation area.

(G) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made not more than three (3) years after the date on which the investments that are the basis for the increment financing are made.

The allocation fund may not be used for operating expenses of the development authority.

(3) Except as provided in subsection (g), before July 15 of each year the development authority shall do the following:

(A) Determine the amount, if any, by which property taxes payable to the allocation fund in the following year will exceed the amount of property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2).

(B) Notify the appropriate county auditor of the amount, if any,

C  
o  
p  
y



of the amount of excess property taxes that the development authority has determined may be paid to the respective taxing units in the manner prescribed in subdivision (1). The development authority may not authorize a payment to the respective taxing units under this subdivision if to do so would endanger the interest of the holders of bonds described in subdivision (2) or lessors under section 24 of this chapter. Property taxes received by a taxing unit under this subdivision are eligible for the property tax replacement credit provided under ~~IC 6-1.1-21~~ **IC 6-1.1-21-5 and the child welfare relief credit under IC 6-1.1-12-5.2.**

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by a taxing unit after the effective date of the allocation provision of the declaratory resolution is the lesser of:

- (1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or
- (2) the base assessed value.

(d) Property tax proceeds allocable to the military base development district under subsection (b)(2) may, subject to subsection (b)(3), be irrevocably pledged by the military base development district for payment as set forth in subsection (b)(2).

(e) Notwithstanding any other law, each assessor shall, upon petition of the development authority, reassess the taxable property situated upon or in or added to the allocation area, effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and the making of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

- (1) the assessed value of the property as valued without regard to this section; or
- (2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the development authority shall create funds as specified in this subsection. A development authority that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish an allocation fund for the purposes specified in subsection (b)(2) and a special zone fund. The development authority shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund any amount in the

C  
o  
p  
y



1 allocation fund derived from property tax proceeds in excess of those  
 2 described in subsection (b)(1) from property located in the enterprise  
 3 zone that exceeds the amount sufficient for the purposes specified in  
 4 subsection (b)(2) for the year. The amount sufficient for purposes  
 5 specified in subsection (b)(2) for the year shall be determined based on  
 6 the pro rata part of such current property tax proceeds from the part of  
 7 the enterprise zone that is within the allocation area as compared to all  
 8 such current property tax proceeds derived from the allocation area. A  
 9 development authority that does not have obligations, bonds, or leases  
 10 payable from allocated tax proceeds under subsection (b)(2) shall  
 11 establish a special zone fund and deposit all the property tax proceeds  
 12 in excess of those described in subsection (b)(1) that are derived from  
 13 property in the enterprise zone in the fund. The development authority  
 14 that creates the special zone fund shall use the fund (based on the  
 15 recommendations of the urban enterprise association) for programs in  
 16 job training, job enrichment, and basic skill development that are  
 17 designed to benefit residents and employers in the enterprise zone or  
 18 for other purposes specified in subsection (b)(2), except that where  
 19 reference is made in subsection (b)(2) to an allocation area it shall refer  
 20 for purposes of payments from the special zone fund only to that part  
 21 of the allocation area that is also located in the enterprise zone. The  
 22 programs shall reserve at least one-half (1/2) of their enrollment in any  
 23 session for residents of the enterprise zone.

24 (h) After each general reassessment under IC 6-1.1-4, the  
 25 department of local government finance shall adjust the base assessed  
 26 value one (1) time to neutralize any effect of the general reassessment  
 27 on the property tax proceeds allocated to the military base development  
 28 district under this section. However, the adjustment may not include  
 29 the effect of property tax abatements under IC 6-1.1-12.1, and the  
 30 adjustment may not produce less property tax proceeds allocable to the  
 31 military base development district under subsection (b)(2) than would  
 32 otherwise have been received if the general reassessment had not  
 33 occurred. The department of local government finance may prescribe  
 34 procedures for county and township officials to follow to assist the  
 35 department in making the adjustments.

36 SECTION 83. IC 36-7-30.5-32, AS ADDED BY P.L.203-2005,  
 37 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 38 JANUARY 1, 2006 (RETROACTIVE)]: Sec. 32. (a) As used in this  
 39 section, "allocation area" has the meaning set forth in section 30 of this  
 40 chapter.

41 (b) As used in this section, "taxing district" has the meaning set  
 42 forth in IC 6-1.1-1-20.

C  
o  
p  
y





(c) Subject to subsection (e) and except as provided in subsection (h), each taxpayer in an allocation area is entitled to an additional credit for taxes (as defined in IC 6-1.1-21-2) that under IC 6-1.1-22-9 are due and payable in May and November of that year **or under IC 6-1.1-22-9.5 are due in installments established by the department of local government finance for that year.** Except as provided in subsection (h), one-half (1/2) of the credit shall be applied to each installment of taxes (as defined in IC 6-1.1-21-2). This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; by

(B) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district that would have been allocated to an allocation fund under section 30 of this chapter had the additional credit described in this ~~section~~ **STEP** not been given.

**STEP FOUR: Determine the total net child welfare levy (as defined in IC 6-1.1-21-2.2) that is attributable to the taxing district.**

**STEP FIVE: Divide:**

(A) **that part of the estimated child welfare relief replacement amount (as defined in IC 6-1.1-21-2.2) for the year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by**

(B) **the STEP FOUR amount.**

**STEP SIX: Multiply:**

(A) **the STEP FIVE quotient; by**

(B) **the total net child welfare levy (as defined in IC 6-1.1-21-2.2) levied in the taxing district that would have been allocated to an allocation fund under section 30 of this chapter had the additional credit described in this**

C  
o  
p  
y



1           **STEP not been given.**

2           **STEP SEVEN: Add the STEP THREE result and the STEP**  
 3           **SIX result.**

4           The additional credit reduces the amount of proceeds allocated to the  
 5           military base development district and paid into an allocation fund  
 6           under section 30(b)(2) of this chapter.

7           (d) If the additional credit under subsection (c) is not reduced under  
 8           subsection (e) or (f), the credit for property tax replacement under  
 9           IC 6-1.1-21-5, **the child welfare relief credit under IC 6-1.1-21-5.2,**  
 10          and the additional credit under subsection (c) shall be computed on an  
 11          aggregate basis for all taxpayers in a taxing district that contains all or  
 12          part of an allocation area. The credit for property tax replacement under  
 13          IC 6-1.1-21-5, **the child welfare relief credit under IC 6-1.1-21-5.2,**  
 14          and the additional credit under subsection (c) shall be combined on the  
 15          tax statements sent to each taxpayer.

16          (e) Upon the recommendation of the development authority, the  
 17          municipal legislative body of an affected municipality or the county  
 18          executive of an affected county may by resolution provide that the  
 19          additional credit described in subsection (c):

20               (1) does not apply in a specified allocation area; or

21               (2) is to be reduced by a uniform percentage for all taxpayers in  
 22               a specified allocation area.

23          (f) If the municipal legislative body or county executive determines  
 24          that granting the full additional credit under subsection (c) would  
 25          adversely affect the interests of the holders of bonds or other  
 26          contractual obligations that are payable from allocated tax proceeds in  
 27          that allocation area in a way that would create a reasonable expectation  
 28          that those bonds or other contractual obligations would not be paid  
 29          when due, the municipal legislative body or county executive must  
 30          adopt a resolution under subsection (e) to deny the additional credit or  
 31          reduce the credit to a level that creates a reasonable expectation that  
 32          the bonds or other obligations will be paid when due. A resolution  
 33          adopted under subsection (e) denies or reduces the additional credit for  
 34          property taxes first due and payable in the allocation area in any year  
 35          following the year in which the resolution is adopted.

36          (g) A resolution adopted under subsection (e) remains in effect until  
 37          rescinded by the body that originally adopted the resolution. However,  
 38          a resolution may not be rescinded if the rescission would adversely  
 39          affect the interests of the holders of bonds or other obligations that are  
 40          payable from allocated tax proceeds in that allocation area in a way that  
 41          would create a reasonable expectation that the principal of or interest  
 42          on the bonds or other obligations would not be paid when due. If a

C  
o  
p  
y



1 resolution is rescinded and no other resolution is adopted, the  
 2 additional credit described in subsection (c) applies to property taxes  
 3 first due and payable in the allocation area in each year following the  
 4 year in which the resolution is rescinded.

5 (h) This subsection applies to an allocation area only to the extent  
 6 that the net assessed value of property that is assessed as residential  
 7 property under the rules of the department of local government finance  
 8 is not included in the base assessed value. If property tax installments  
 9 with respect to a homestead (as defined in IC 6-1.1-20.9-1) are due in  
 10 installments established by the department of local government finance  
 11 under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an  
 12 allocation area is entitled to an additional credit under subsection (c)  
 13 for the taxes (as defined in IC 6-1.1-21-2) due in installments. The  
 14 credit shall be applied in the same proportion to each installment of  
 15 taxes (as defined in IC 6-1.1-21-2).

16 SECTION 84. IC 36-7-32-18 IS AMENDED TO READ AS  
 17 FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]:  
 18 Sec. 18. (a) A redevelopment commission may, by resolution, provide  
 19 that each taxpayer in a certified technology park that has been  
 20 designated as an allocation area is entitled to an additional credit for  
 21 taxes (as defined in IC 6-1.1-21-2) that, under IC 6-1.1-22-9, are due  
 22 and payable in May and November of that year **or, under**  
 23 **IC 6-1.1-22-9.5, are due in installments established by the**  
 24 **department of local government finance for that year.** One-half  
 25 (1/2) of the credit shall be applied to each installment of property taxes.  
 26 This credit equals the amount determined under the following STEPS  
 27 for each taxpayer in a taxing district that contains all or part of the  
 28 certified technology park:

29 STEP ONE: Determine that part of the sum of the amounts under  
 30 IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2) through  
 31 IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

32 STEP TWO: Divide:

33 (A) that part of the county's total eligible property tax  
 34 replacement amount (as defined in IC 6-1.1-21-2) for that year  
 35 as determined under IC 6-1.1-21-4 that is attributable to the  
 36 taxing district; by

37 (B) the STEP ONE sum.

38 STEP THREE: Multiply:

39 (A) the STEP TWO quotient; by

40 (B) the total amount of the taxpayer's taxes (as defined in  
 41 IC 6-1.1-21-2) levied in the taxing district that would have  
 42 been allocated to the certified technology park fund under

C  
o  
p  
y



section 17 of this chapter had the additional credit described in this ~~section~~ **STEP** not been given.

**STEP FOUR: Determine the total net child welfare levy (as defined in IC 6-1.1-21-2.2) that is attributable to the taxing district.**

**STEP FIVE: Divide:**

(A) that part of the estimated child welfare relief replacement amount (as defined in IC 6-1.1-21-2.2) for the year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by

(B) the STEP FOUR amount.

**STEP SIX: Multiply:**

(A) the STEP FIVE quotient; by

(B) the total net child welfare levy (as defined in IC 6-1.1-21-2.2) levied in the taxing district that would have been allocated to the certified technology park fund under section 17 of this chapter had the additional credit described in this STEP not been given.

**STEP SEVEN: Add the STEP THREE result and the STEP SIX result.**

The additional credit reduces the amount of proceeds allocated and paid into the certified technology park fund under section 17 of this chapter.

(b) The additional credit under subsection (a) shall be:

- (1) computed on an aggregate basis of all taxpayers in a taxing district that contains all or part of a certified technology park; and
- (2) combined on the tax statement sent to each taxpayer.

(c) Concurrently with the mailing or other delivery of the tax statement or any corrected tax statement to each taxpayer, as required by IC 6-1.1-22-8(a), each county treasurer shall for each tax statement also deliver to each taxpayer in a certified technology park who is entitled to the additional credit under subsection (a) a notice of additional credit. The actual dollar amount of the credit, the taxpayer's name and address, and the tax statement to which the credit applies must be stated on the notice.

(d) Notwithstanding any other law, a taxpayer in a certified technology park is not entitled to a credit for property tax replacement under IC 6-1.1-21-5 or a **child welfare relief credit under IC 6-1.1-21-5.2.**

**SECTION 85. [EFFECTIVE JULY 1, 2005 (RETROACTIVE)] (a) The definitions in IC 6-1.1-1 and IC 6-1.1-21 apply throughout this SECTION.**

**C  
O  
P  
Y**



1 (b) As used in this SECTION, "taxpayer" means an individual  
2 or entity that is eligible for a child welfare relief credit.

3 (c) The department of local government finance may adopt  
4 temporary rules in the manner provided for the adoption of  
5 emergency rules under IC 4-22-2-37.1 to implement the child  
6 welfare relief credit in 2006. The temporary rules may do any of  
7 the following:

8 (1) Set the date on which the effective child welfare relief  
9 credit percentage to be applied in any combination of taxing  
10 districts will be certified to county auditors.

11 (2) Permit the application of the entire child welfare relief  
12 credit to the second installment of property taxes due in 2006  
13 to the extent necessary to allow the timely delivery of:

14 (A) tax duplicates under IC 6-1.1-22-3;

15 (B) tax abstracts under IC 6-1.1-22-5;

16 (C) tax statements under IC 6-1.1-22-8; or

17 (D) compliance with another statutory deadline;

18 in any combination of counties in which the county's county  
19 auditor and county treasurer enter into an agreement with the  
20 department of local government finance to deliver, on the  
21 schedule determined by the department of local government  
22 finance, amended tax duplicates, abstracts, certifications, and  
23 statements that apply the entire child welfare relief credit to  
24 the second installment of property taxes due for 2006.

25 (3) Delay the application of a statutory date:

26 (A) for the delivery of a tax duplicate to the county  
27 treasurer;

28 (B) for the delivery of a tax abstract to the county  
29 treasurer and auditor of state;

30 (C) on which the first installment of property taxes would  
31 otherwise be first due and payable in 2006; or

32 (D) under another statute;

33 as necessary for any combination of counties if the county's  
34 county auditor and county treasurer enter into an agreement  
35 with the department of local government to apply the child  
36 welfare relief credit equally to each installment of taxes that  
37 taxpayers pay.

38 (4) Waive the application of any part of IC 6-1.1-22.5 to any  
39 combination of counties in which tax duplicates reflecting the  
40 child welfare relief credit are delivered to the county  
41 treasurer after March 15, 2006.

42 (5) Provide for the application of the child welfare relief credit

C  
o  
p  
y



to provisional statements and reconciling statements issued under IC 6-1.1-22.5 for any combination of counties.

(6) Either:

(A) delay the statutory date in June for the distribution and settlement of property taxes in any combination of counties as needed to reflect a delay in the payment date for the first installment of property taxes in the counties; or

(B) provide procedures for a partial settlement in June that does not reflect the child welfare relief credit.

(7) Take any other action that is necessary or appropriate to implement the child welfare relief credit in 2006.

The provisions permitting the department of state revenue to withhold distributions under IC 6-1.1-21 when certain actions are not performed in a timely manner do not apply to a delay authorized by a temporary rule adopted under this subsection.

(d) IC 4-22-2-37.1 applies to a temporary rule adopted under subsection (c) to the same extent as if the temporary rule were adopted under IC 4-22-2-37.1. However, a temporary rule adopted under subsection (c) expires on the latest of the following:

(1) The date stated in a temporary rule adopted under subsection (c).

(2) The date that a temporary rule that:

(A) is adopted under subsection (c); and

(B) repeals, amends, or supersedes a previously adopted temporary rule;

takes effect.

(3) The date that a permanent rule that:

(A) is adopted under IC 4-22-2; and

(B) repeals, amends, or supersedes a previously adopted temporary rule;

takes effect.

(4) January 1, 2007.

(e) A county shall comply with a temporary rule adopted under subsection (c). The department of state revenue and the property tax replacement fund board shall make distributions under IC 6-1.1-21-4 and IC 6-1.1-21-10 on the schedule, if any, specified in a temporary rule adopted under subsection (c).

(f) The child welfare relief credit granted under IC 6-1.1-21-5.2, as added by this act, applies to property taxes first due and payable after December 31, 2005.

(g) There is appropriated to the property tax replacement fund

C  
o  
p  
y



board from the property tax replacement fund an amount sufficient to distribute child welfare relief replacement amounts to taxing units in the period beginning July 1, 2005, and ending June 30, 2007. If the amount allocated to distribute child welfare relief replacement amounts exceeds the balance in the property tax replacement fund, the deficiency shall be transferred from the state general fund in the manner provided in IC 6-1.1-21-4. The amount of any required transfer is appropriated from the state general fund. Subject to subsection (h), the child welfare relief replacement amount to which a taxing unit is entitled shall be distributed to the county treasurer for the county in which a taxing unit is located and from the county to the taxing unit in the same manner as property tax replacement credit and homestead credit distributions are distributed under IC 6-1.1-21. The appropriation under this subsection is in addition to any other appropriation made for distributions to taxing units under IC 6-1.1-21. The limitation in P.L.246-2005, SECTION 10, on the maximum amount that may be distributed to taxing units under IC 6-1.1-21 does not apply to a distribution of a child welfare relief replacement amount. An amount distributed under this subsection does not reduce the amount that may be distributed or credits that may be granted under the limitation in P.L.246-2005, SECTION 10.

(h) In 2006, the property tax replacement fund board may make adjustments in the distribution schedule required under IC 6-1.1-21-4 and IC 6-1.1-21-10, as necessary, for any combination of counties to accommodate the implementation of the child welfare relief credit. An adjusted schedule must provide for the least possible disruption in distributions to taxing units. The temporary rules may provide a different schedule for the distribution of child welfare relief replacement amounts from the schedule applicable to the distribution of homestead credit replacement amounts and eligible property tax replacement amounts.

SECTION 86. An emergency is declared for this act.

**C  
o  
p  
y**

